



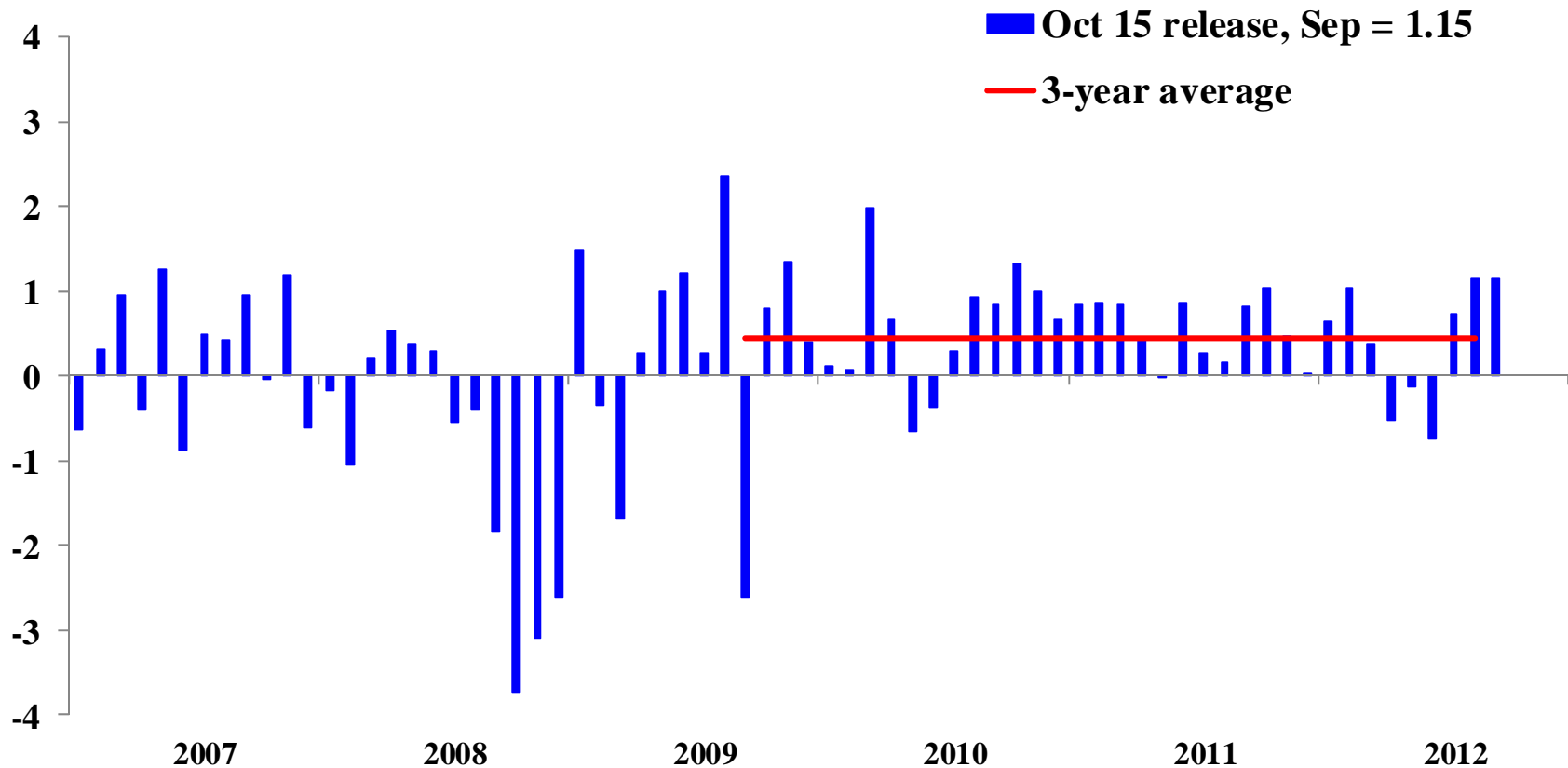
U.S. ECONOMIC ACTIVITY

<http://www.dallasfed.org>



Retail Sales

1-month % change



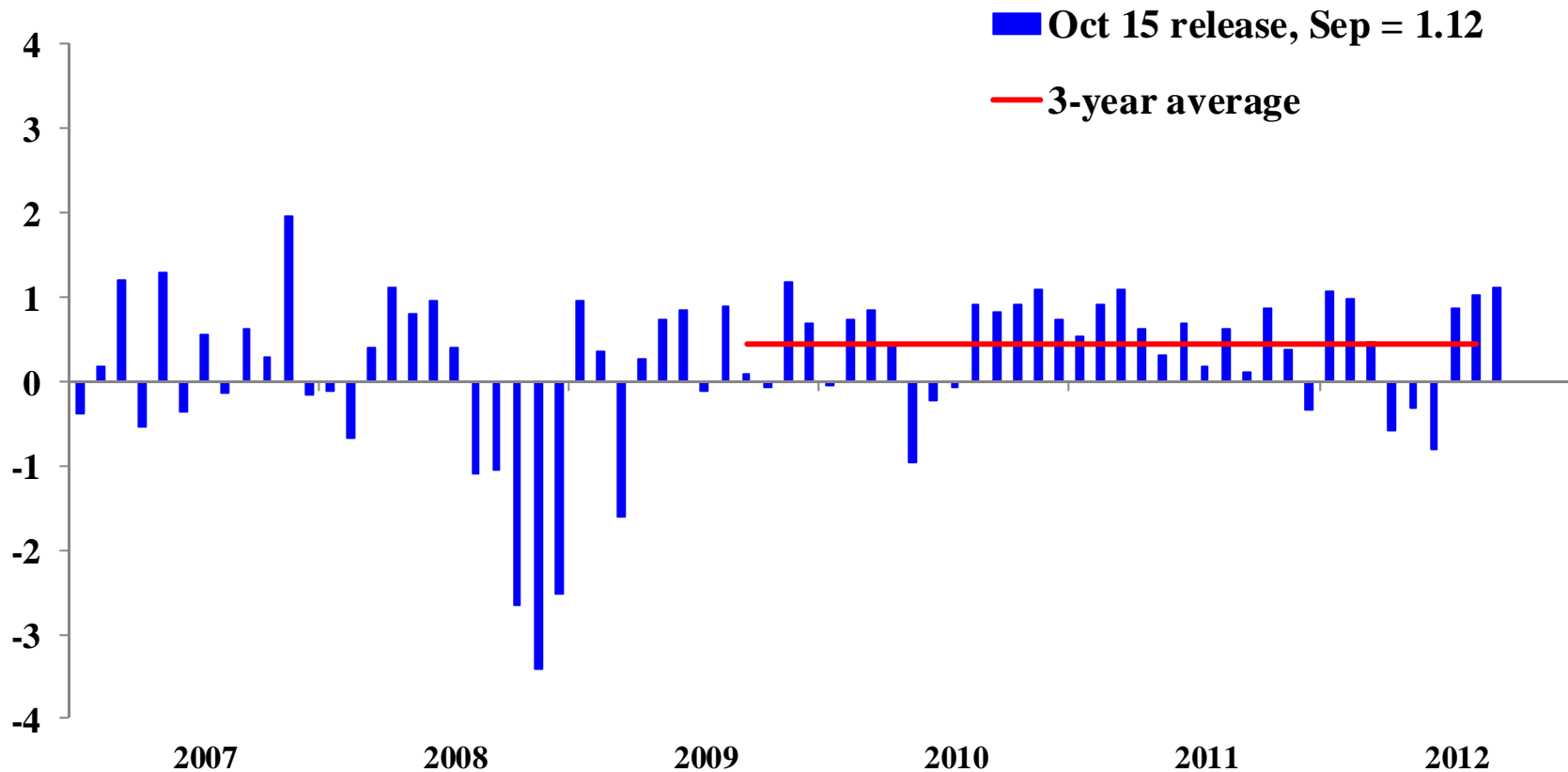
Source: Bureau of the Census

<http://www.dallasfed.org>



Retail Sales, Excluding Autos

1-month % change

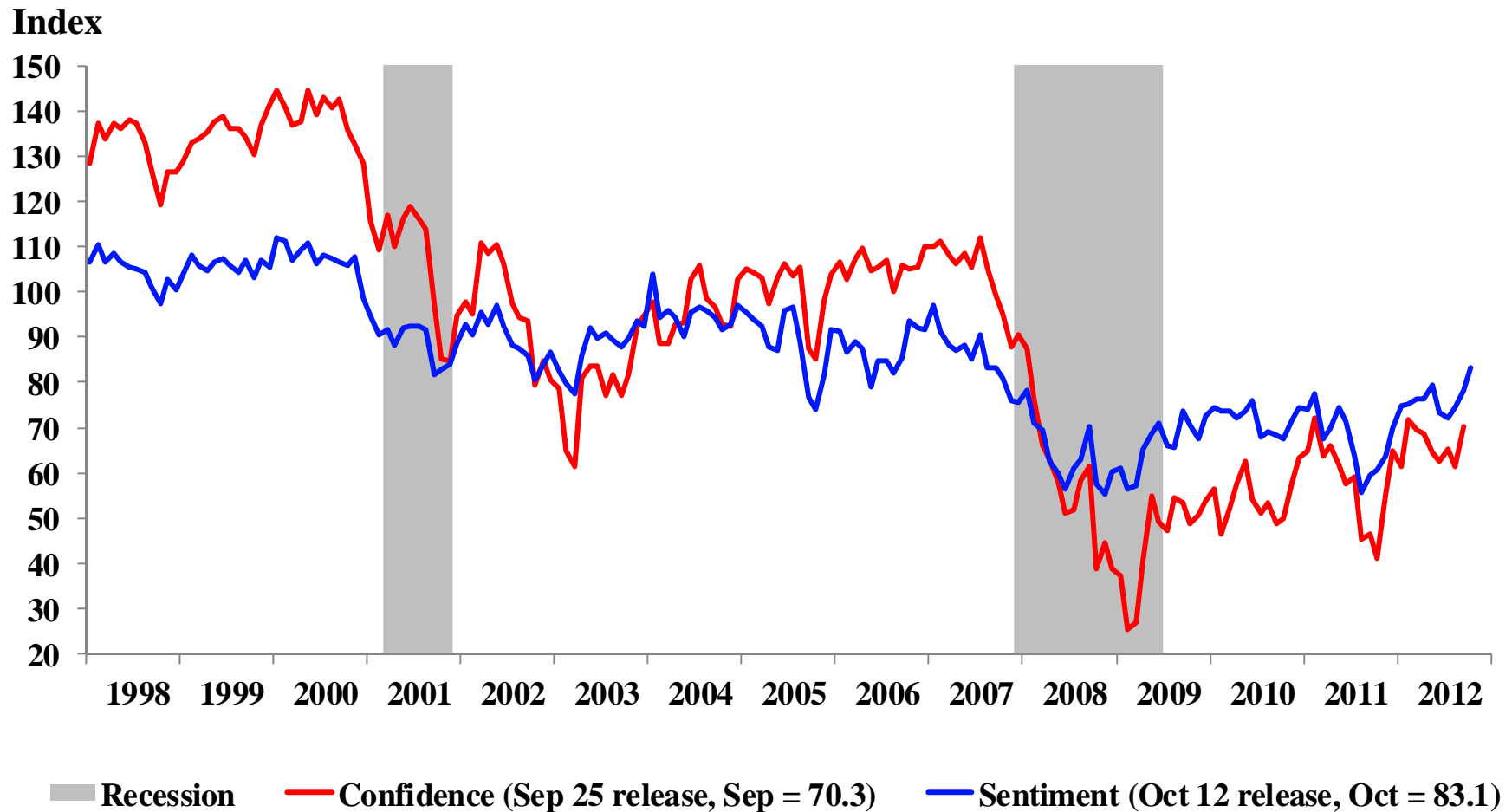


Source: Bureau of the Census

<http://www.dallasfed.org>



Consumer Confidence/Sentiment



Consumer Sentiment: Survey of Consumers, Survey Research Center, U. of Michigan

Consumer Confidence: The Conference Board

<http://www.dallasfed.org>

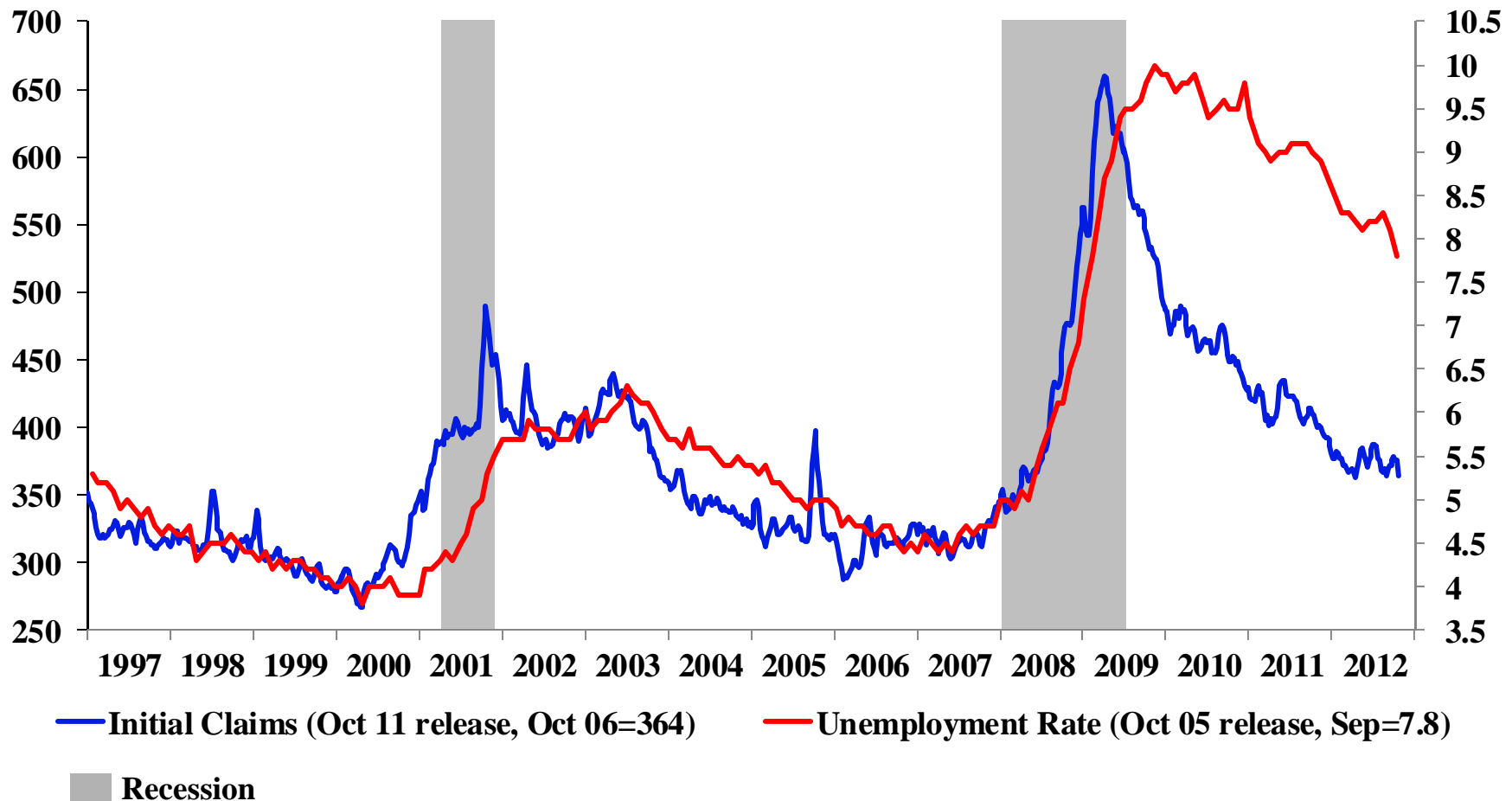


Initial Claims for Unemployment and Unemployment Rate

4-week MA

Thousands of Initial Claims

Percent Unemployment

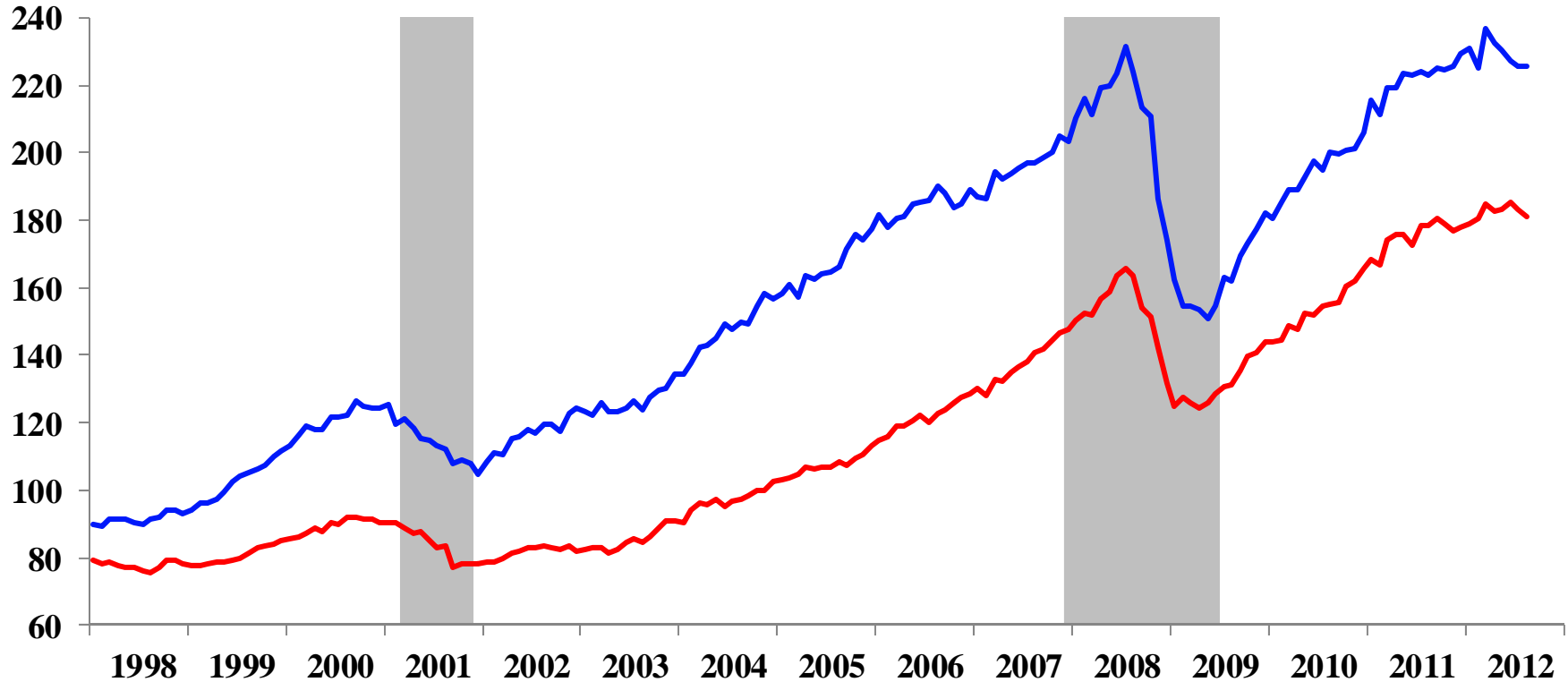


Source: Bureau of Labor Statistics, Department of Labor <http://www.dallasfed.org>



U.S. Imports and Exports

Billions of Dollars



■ Recession

— Exports (Oct 11 release, Aug = 181.3)

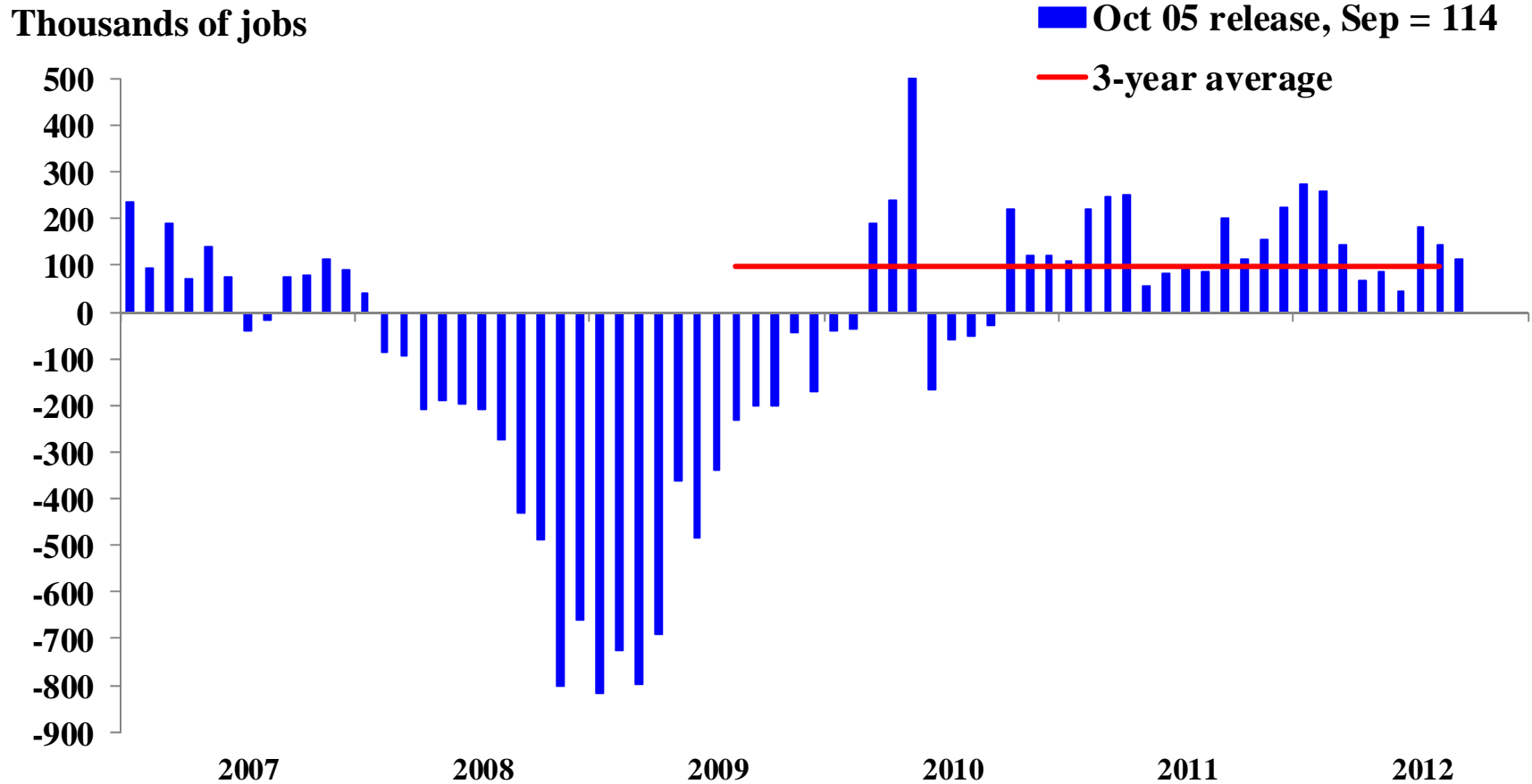
— Imports (Oct 11 release, Aug = 225.5)

Source: Bureau of the Census

<http://www.dallasfed.org>



Change in Nonfarm Employment



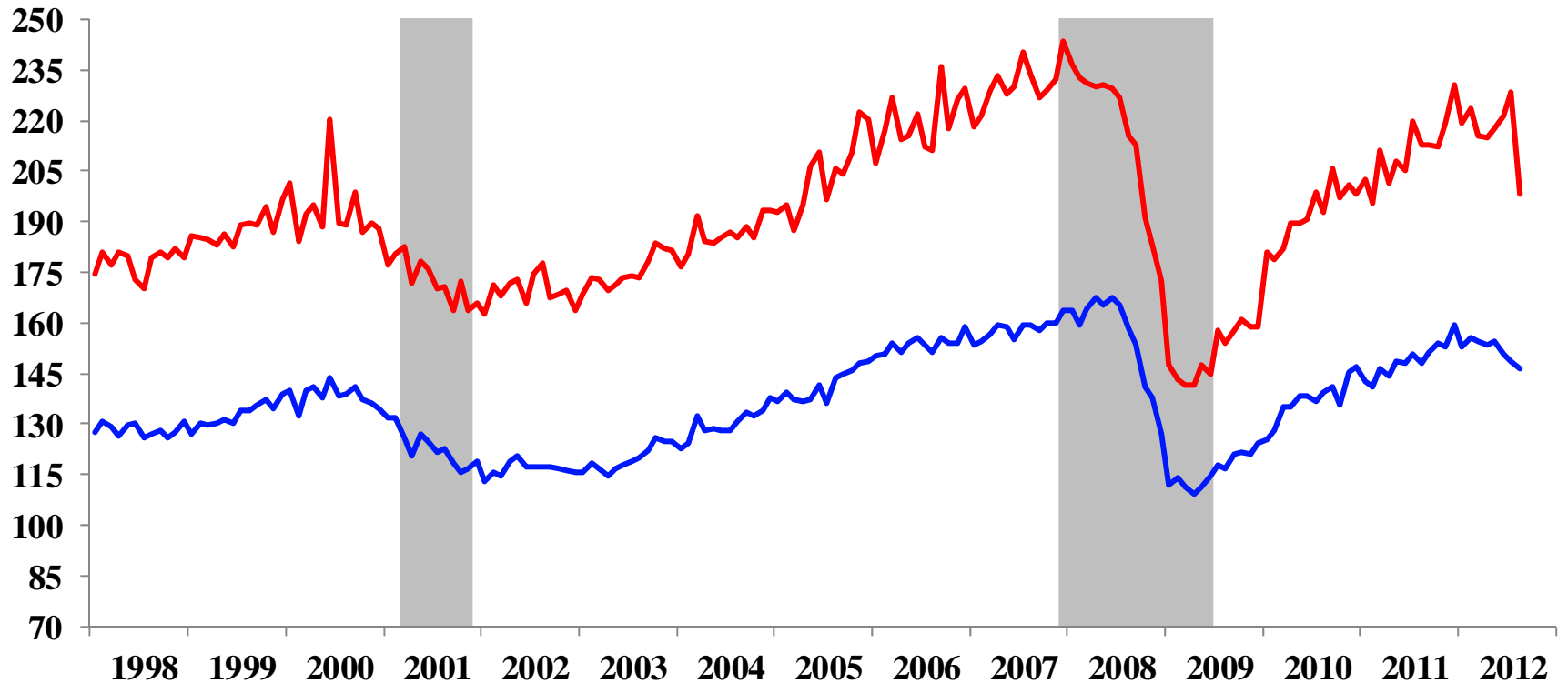
Source: Bureau of Labor Statistics

<http://www.dallasfed.org>



New Orders for Durable Goods

Billions of Dollars



— Durable Goods (Oct 04 release, Aug = 198.3)

— Excl. Transportation (Oct 04 release, Aug = 146.4)

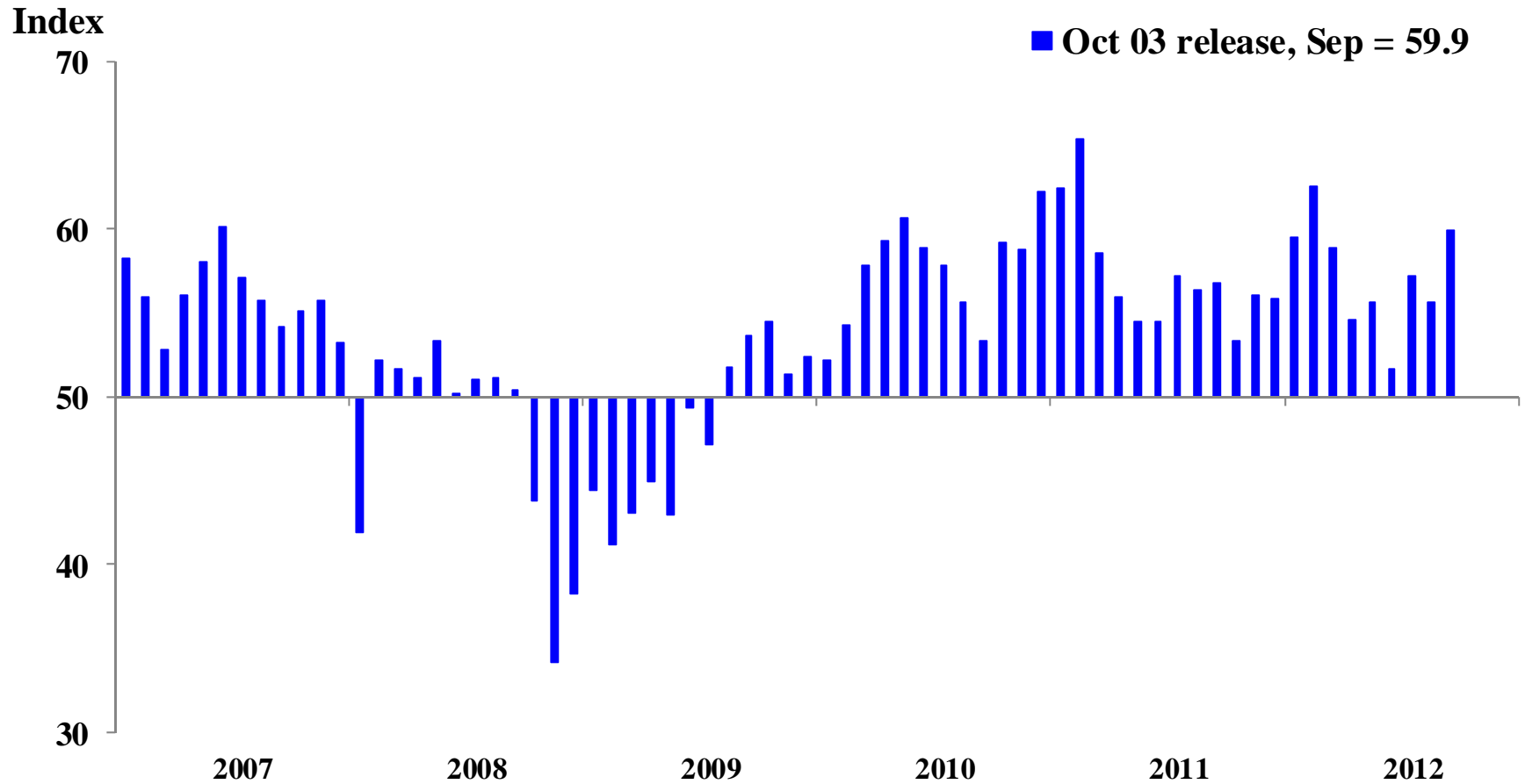
■ Recession

Source: Bureau of the Census

<http://www.dallasfed.org>



ISM Non-Manufacturing Activity Index

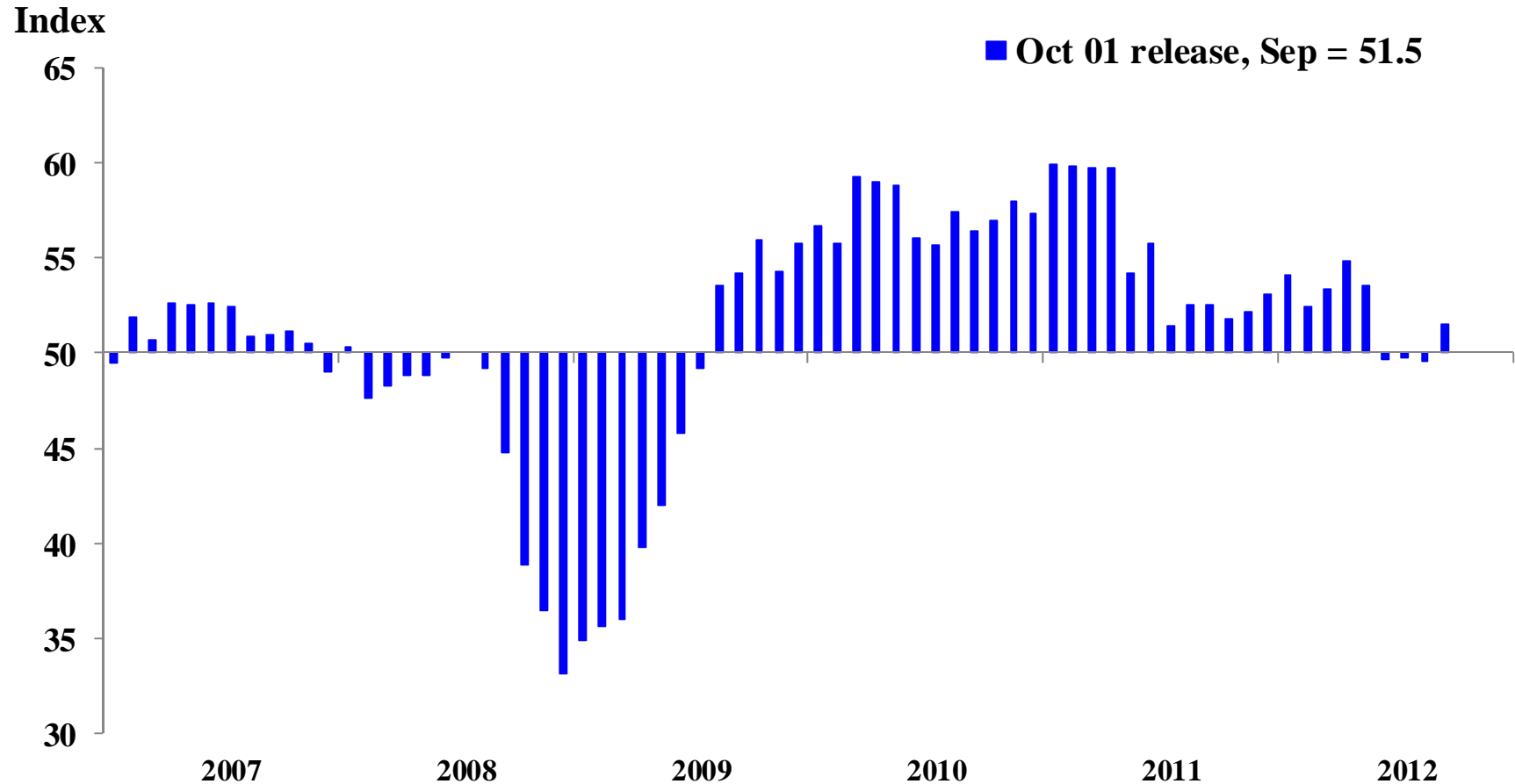


Source : Institute for Supply Management TM

<http://www.dallasfed.org>



Purchasing Managers' Index



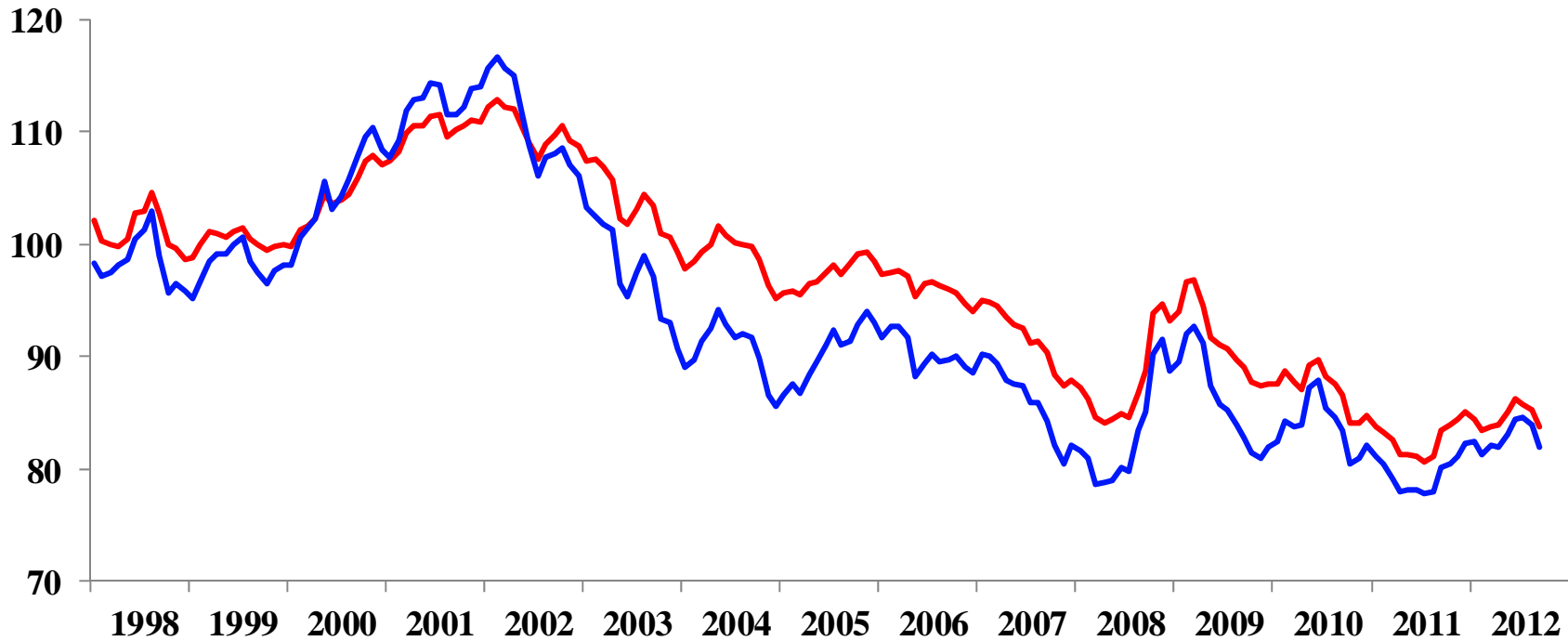
Source: Institute for Supply Management TM

<http://www.dallasfed.org>



Real Value of the Dollar

March 1973 = 100



— Exchange Value of the US\$ (Oct 01 release, Sep=83.8)

— US\$ vs Major Currencies* (Oct 01 release, Sep=81.9)

* Euro Area, Canada, Japan, UK, Switzerland, Australia, and Sweden

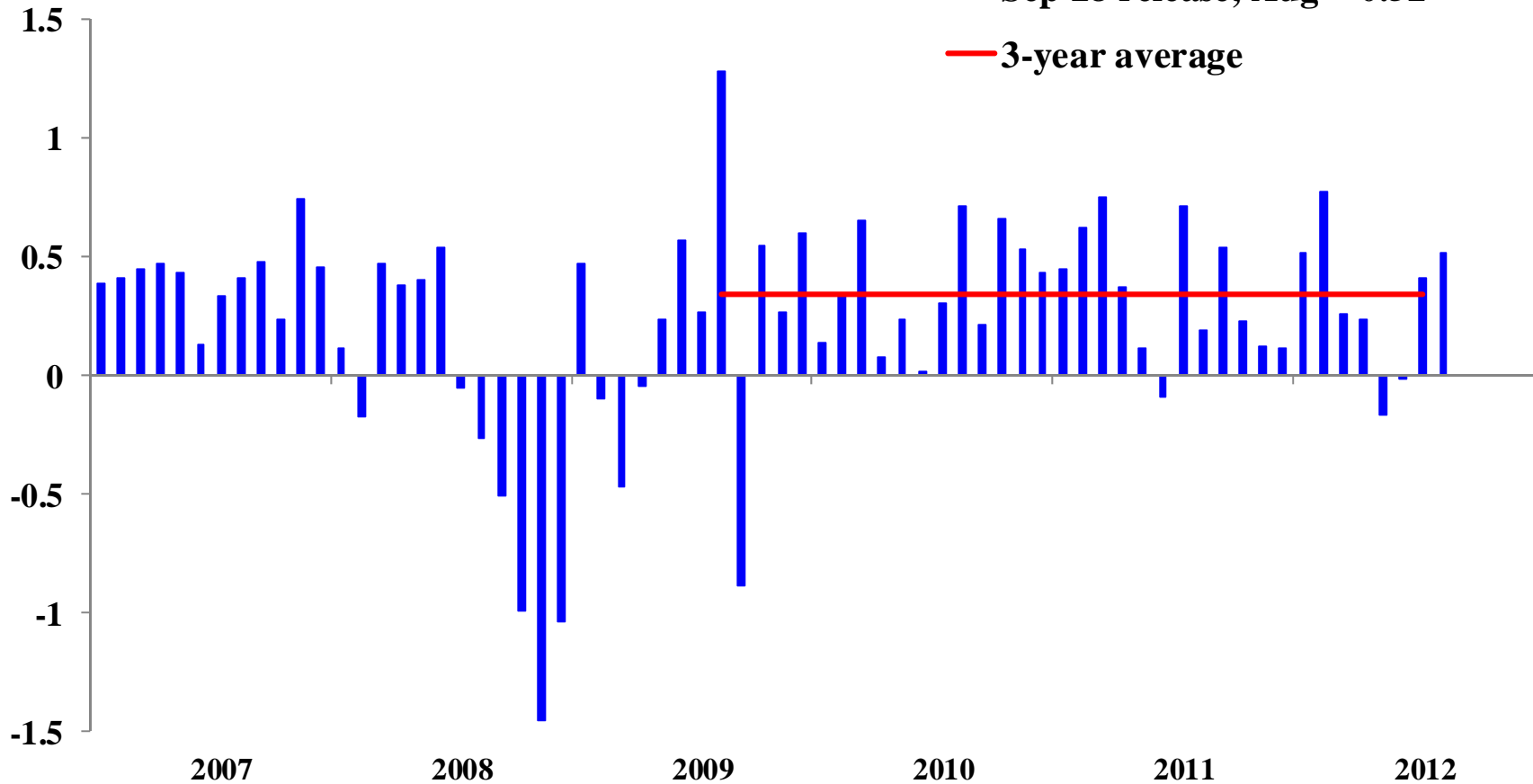
Source: Federal Reserve Board

<http://www.dallasfed.org>



Nominal Personal Consumption Expenditures

1-month % change



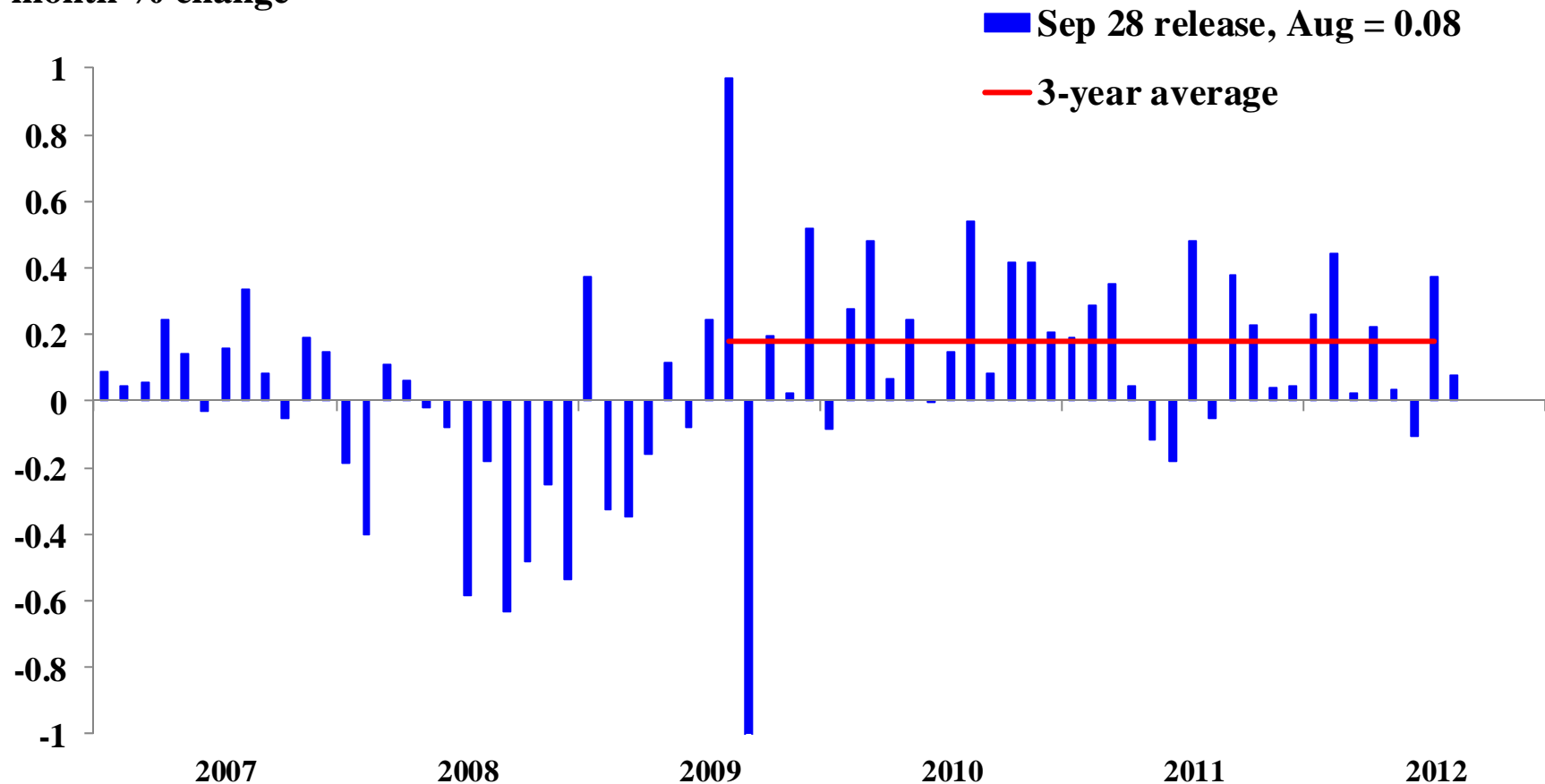
Source: Bureau of Economic Analysis

<http://www.dallasfed.org>



Real Personal Consumption Expenditures

1-month % change



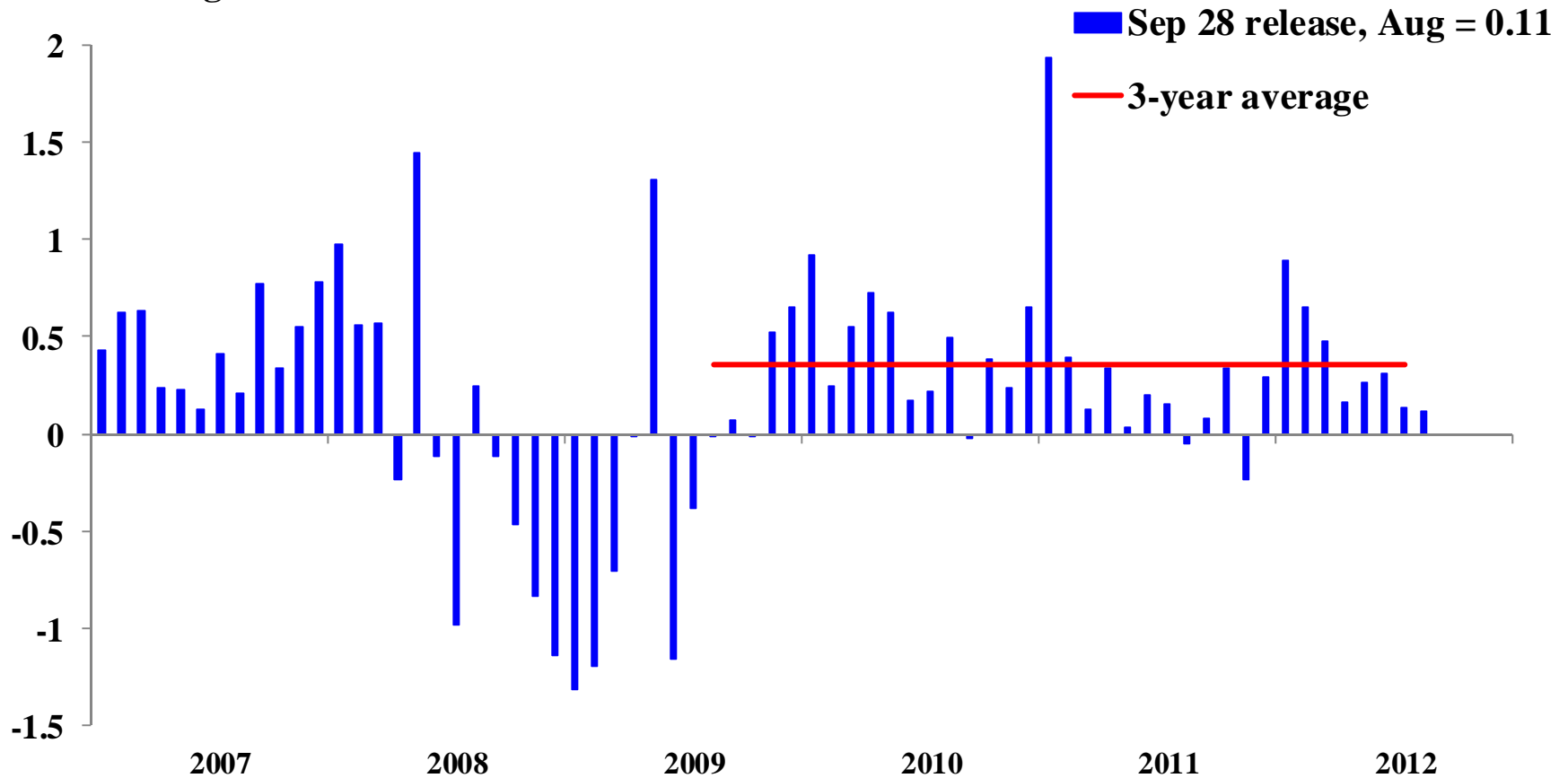
Source: Bureau of Economic Analysis

<http://www.dallasfed.org>



Personal Income

1-month % change



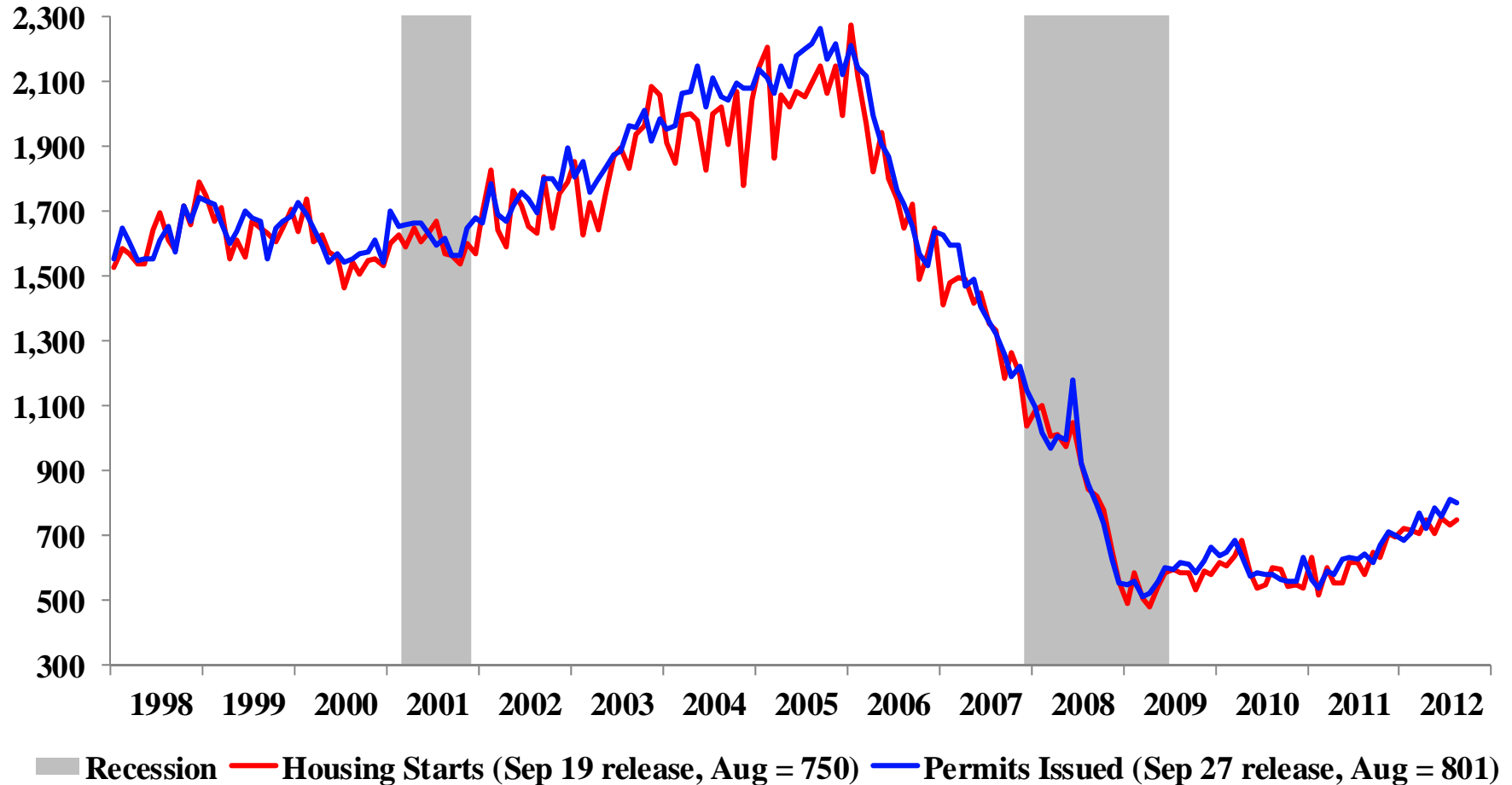
Source: Bureau of Economic Analysis

<http://www.dallasfed.org>



Housing Starts and Permits

Thousands



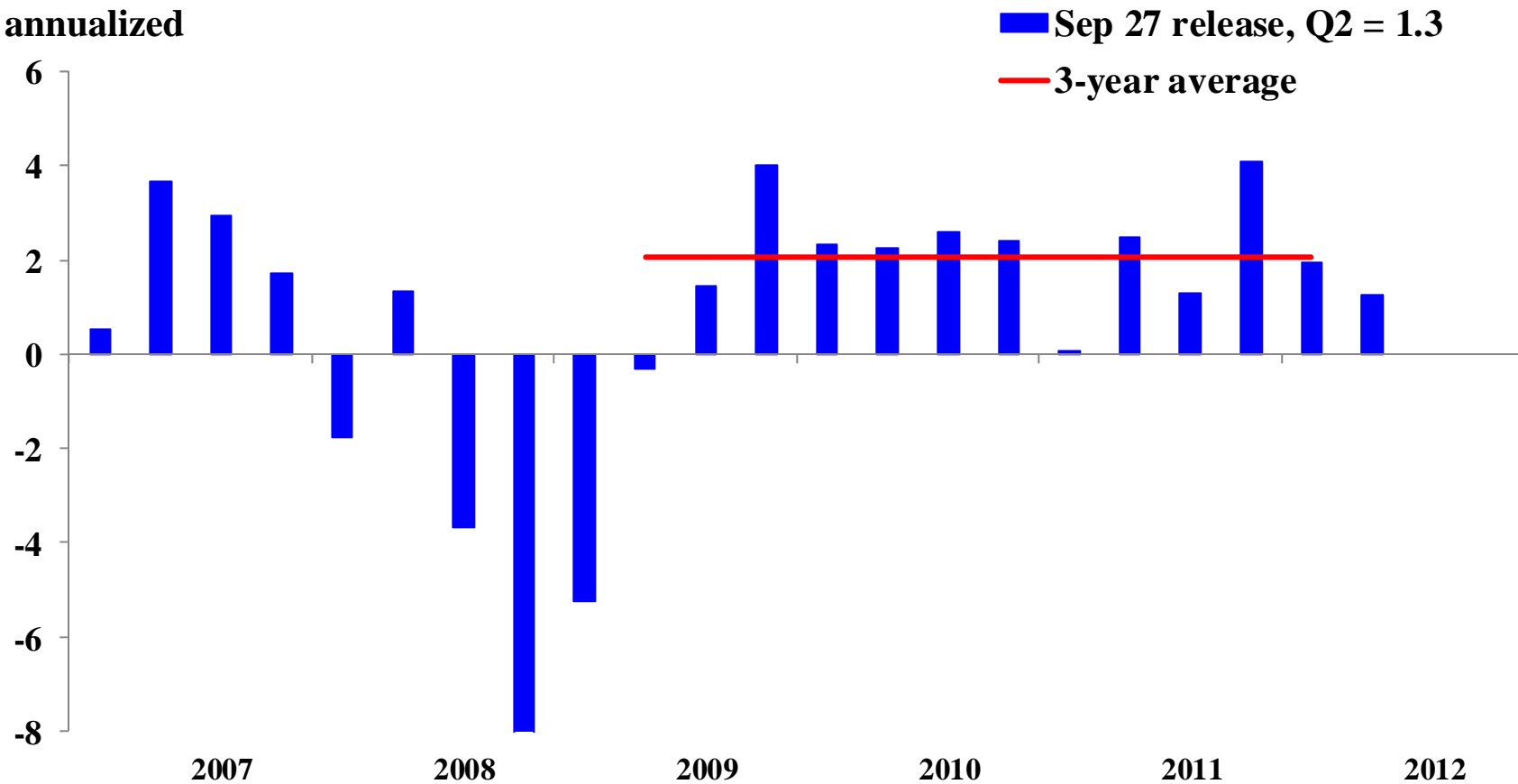
Source: Bureau of the Census

<http://www.dallasfed.org>



Real GDP

1-quarter % change,
annualized



Source: Bureau of Economic Analysis

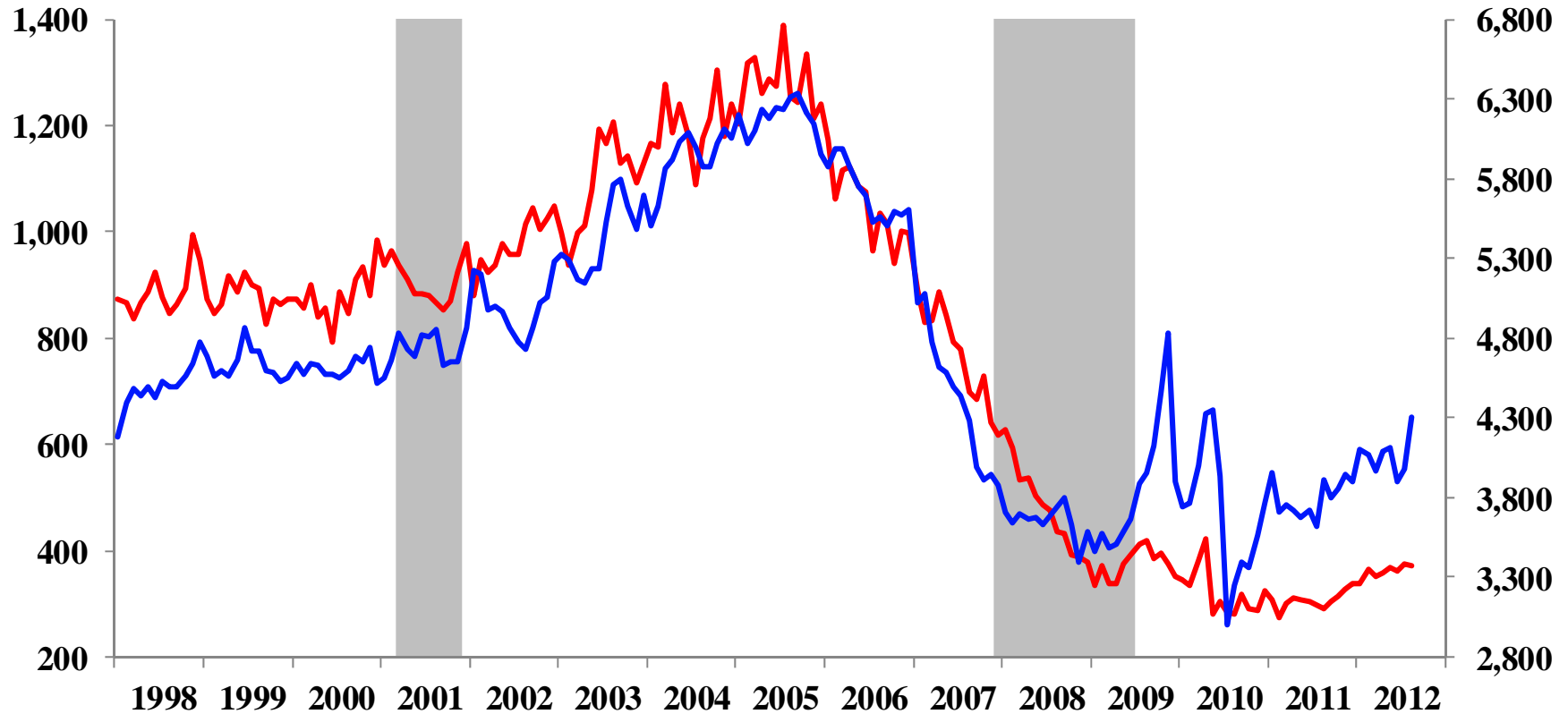
<http://www.dallasfed.org>



Home Sales

Thousands of New Homes

Thousands of Existing Homes



— New Home Sales (Sep 26 release, Aug = 373)

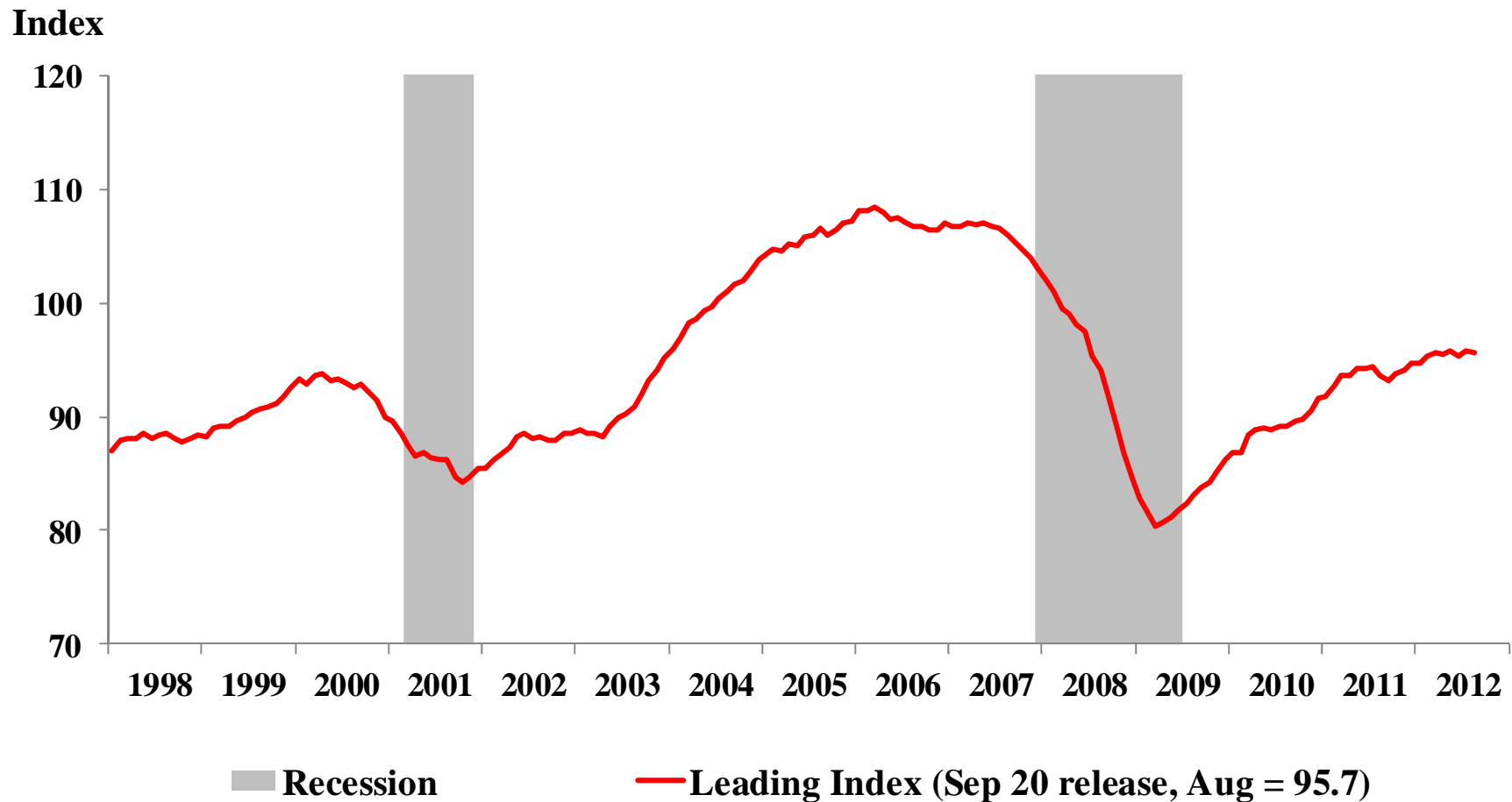
— Existing Home Sales (Sep 19 release, Aug = 4300)

■ Recession

Source: Bureau of the Census, National Association of Realtors <http://www.dallasfed.org>



Index of Leading Economic Indicators

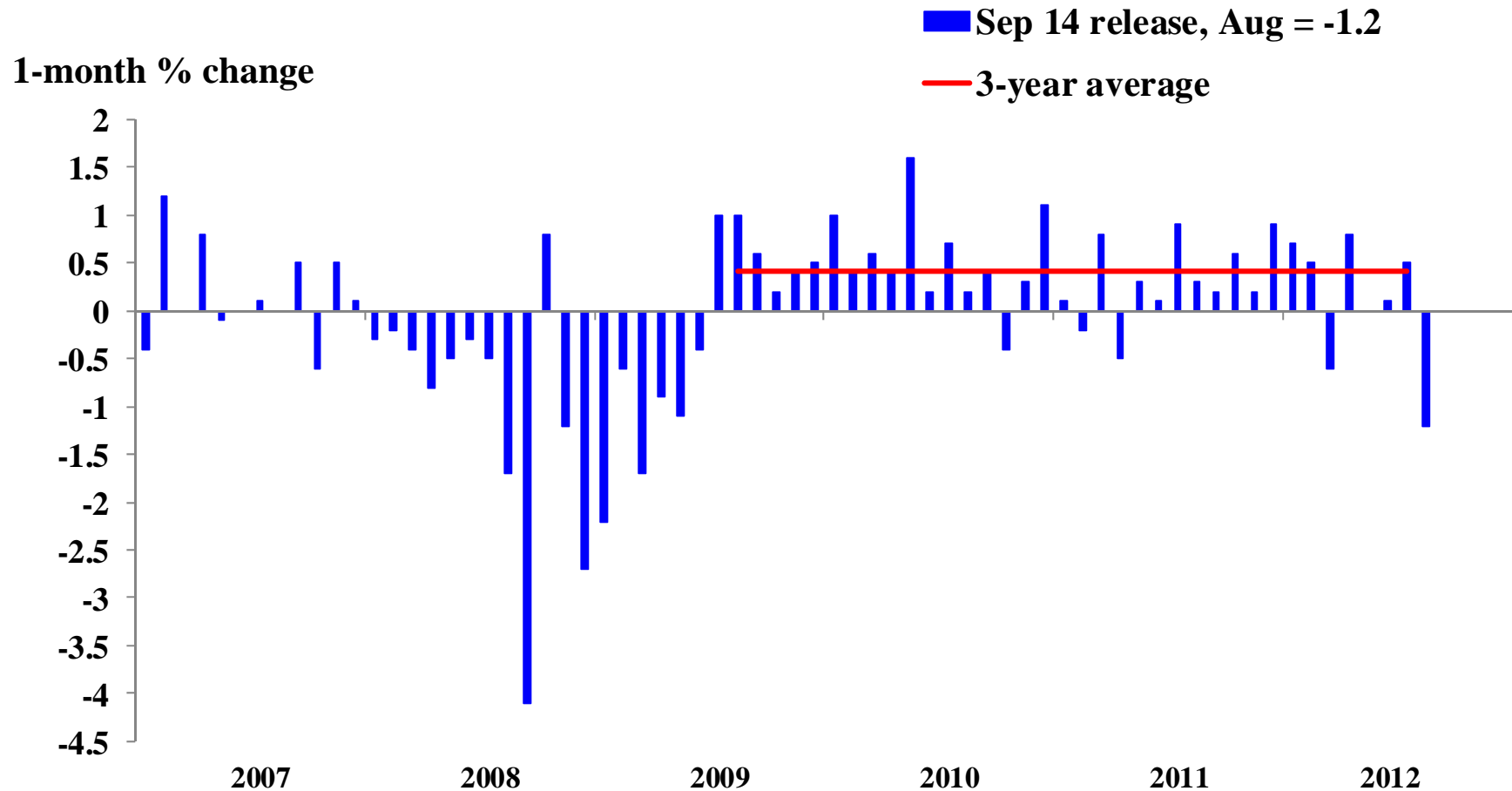


Source: The Conference Board

<http://www.dallasfed.org>



Industrial Production

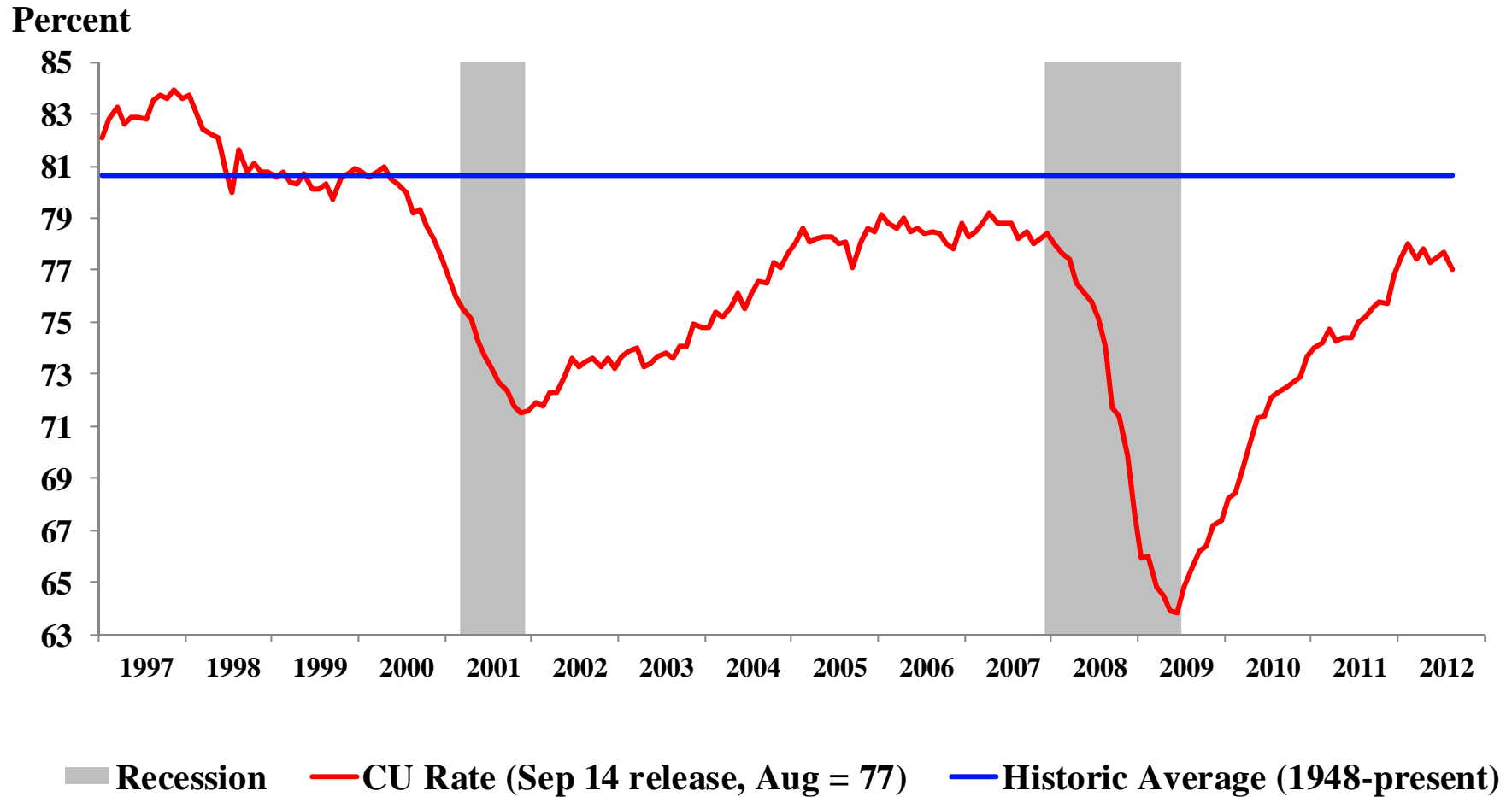


Source: Federal Reserve Board

<http://www.dallasfed.org>



Manufacturing Capacity Utilization Rate



Source: Federal Reserve Board

<http://www.dallasfed.org>



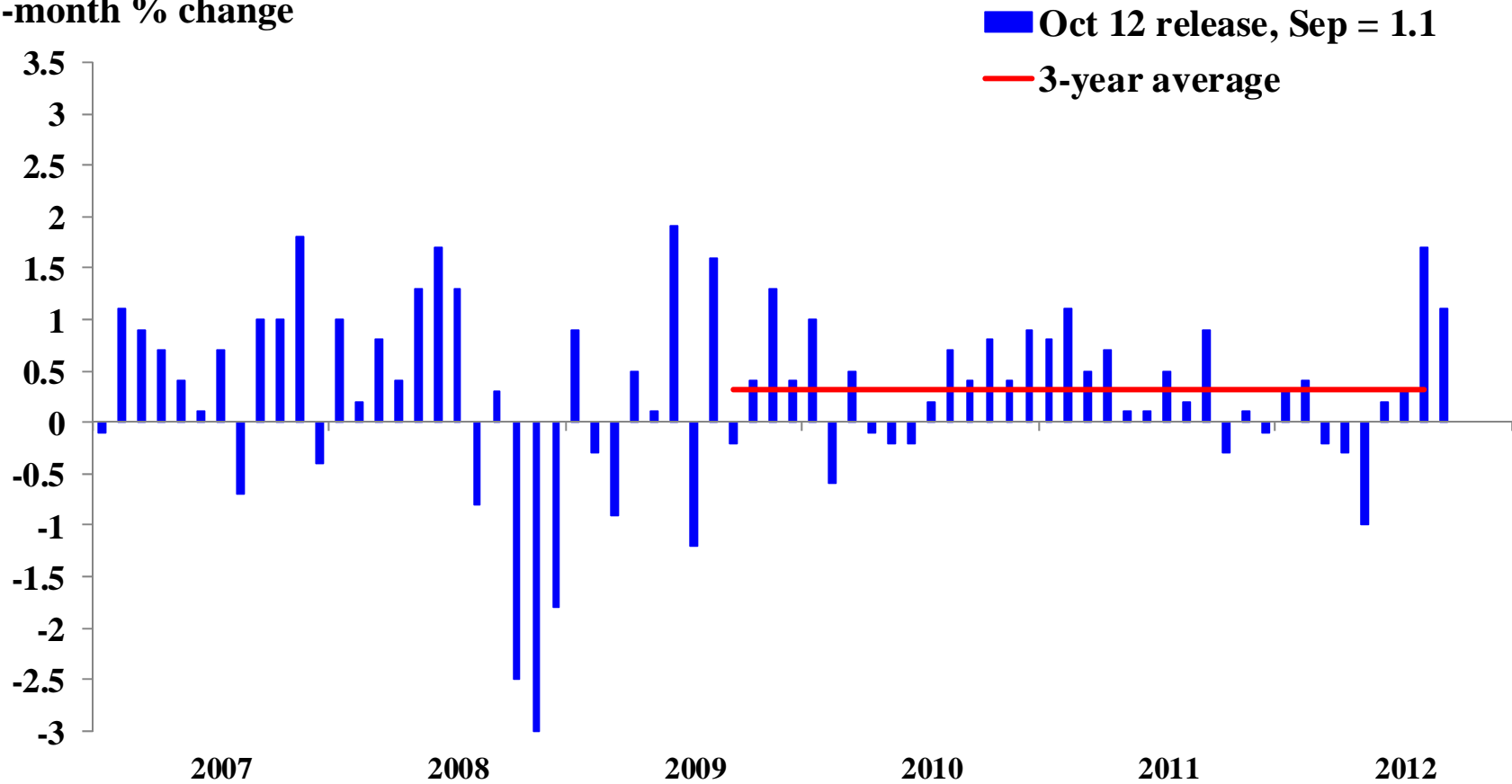
WAGES AND PRICES

<http://www.dallasfed.org>



Producer Price Index

1-month % change



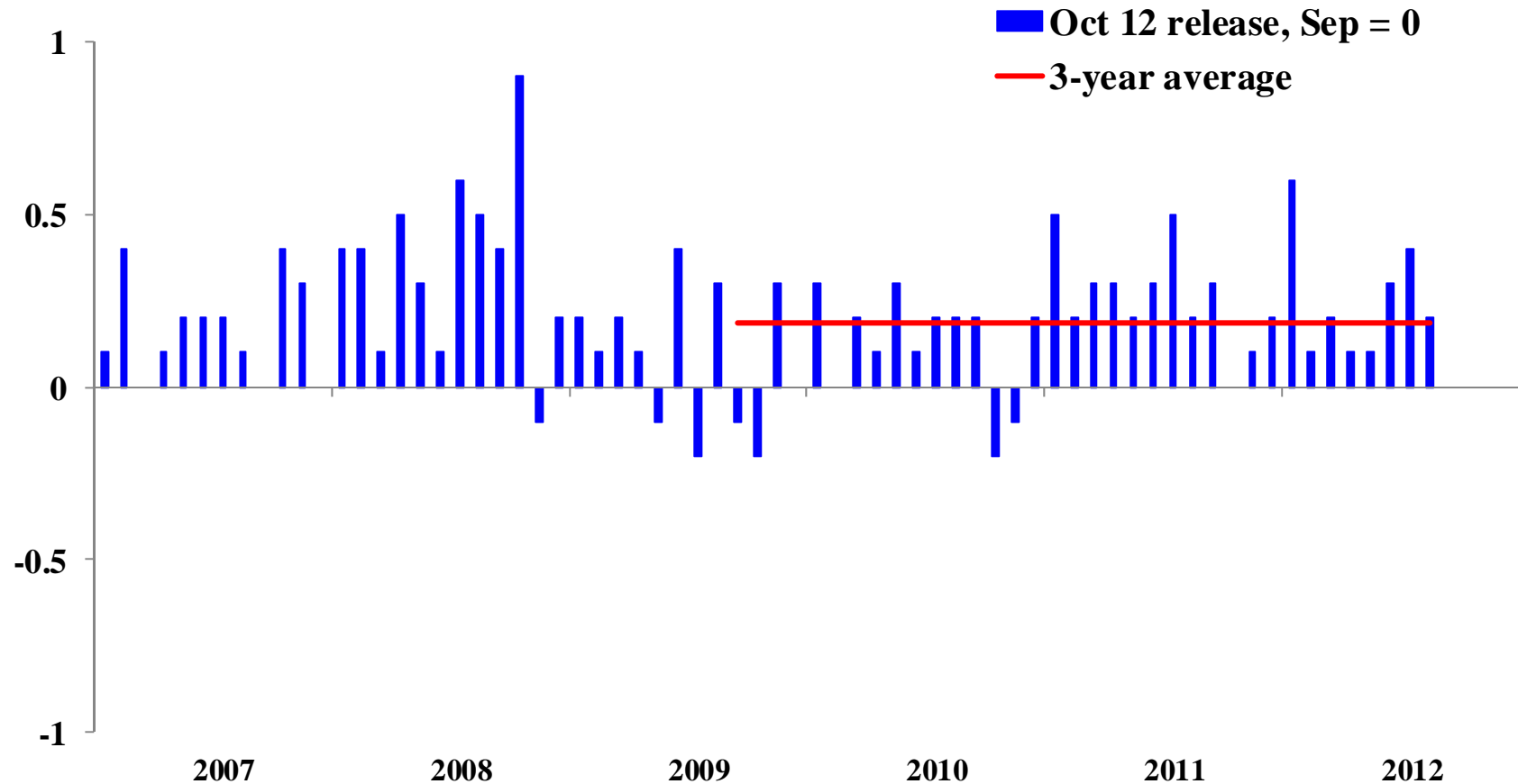
Source: Bureau of Labor Statistics

<http://www.dallasfed.org>



Core Producer Price Index

1-month % change



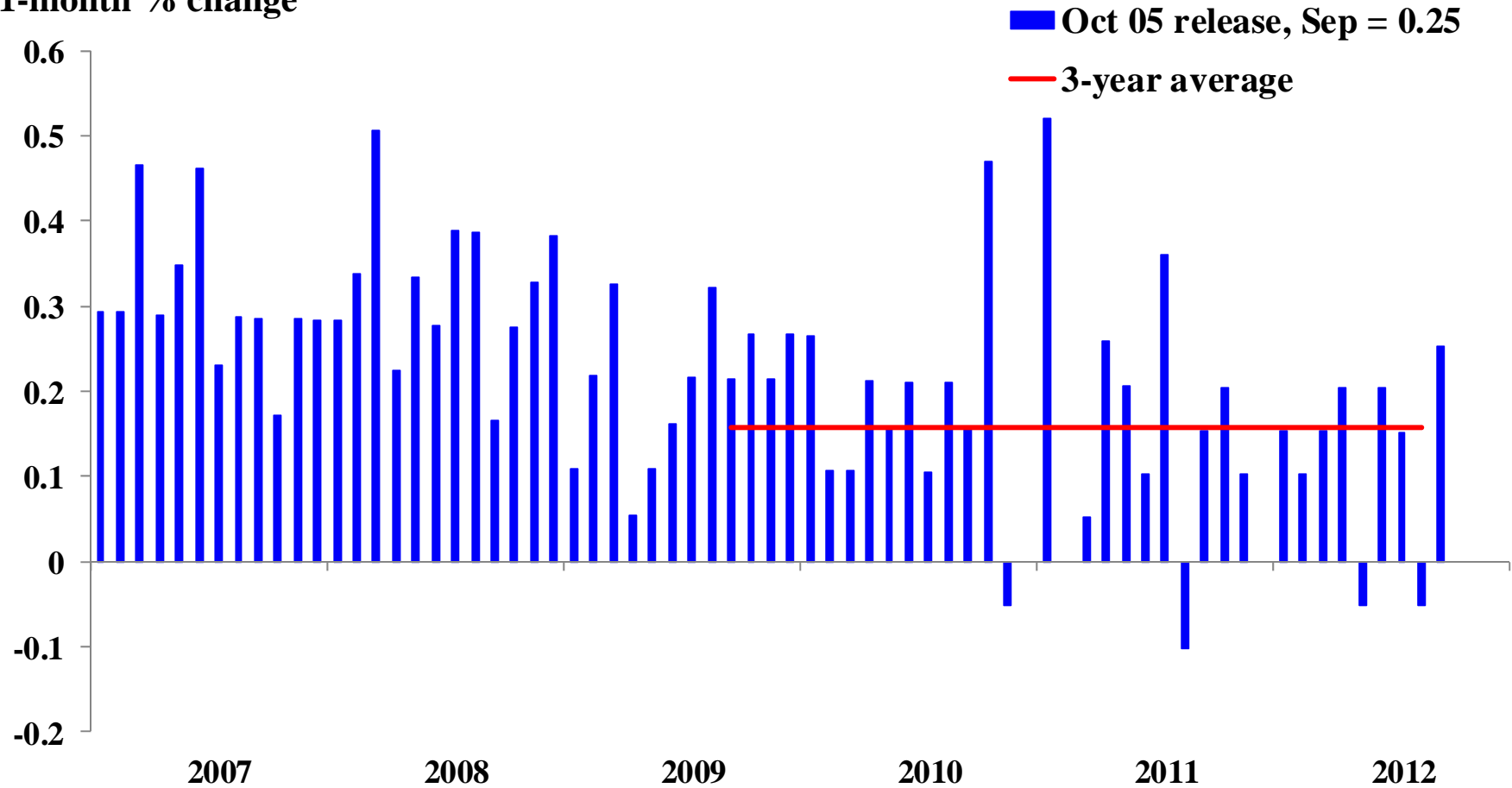
Source: Bureau of Labor Statistics

<http://www.dallasfed.org>



Average Hourly Earnings

1-month % change



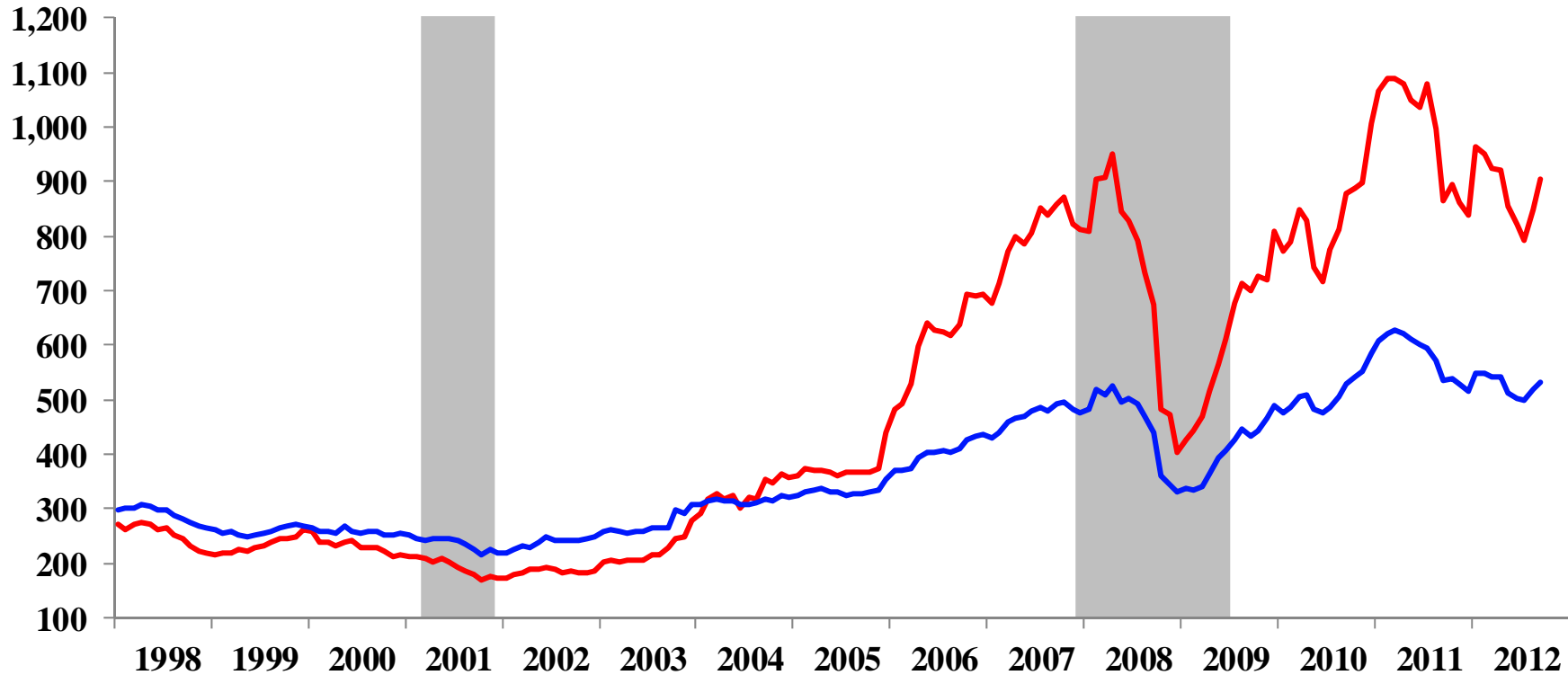
Source: Bureau of Labor Statistics

<http://www.dallasfed.org>



Commodity Prices

1967=100, EOP



— KR-CRB Spot Commodity Price Index: Metals (Oct 01 release, Sep=903.8)

— KR-CRB Spot Commodity Price Index: Raw Industrials (Oct 01 release, Sep=530.6)

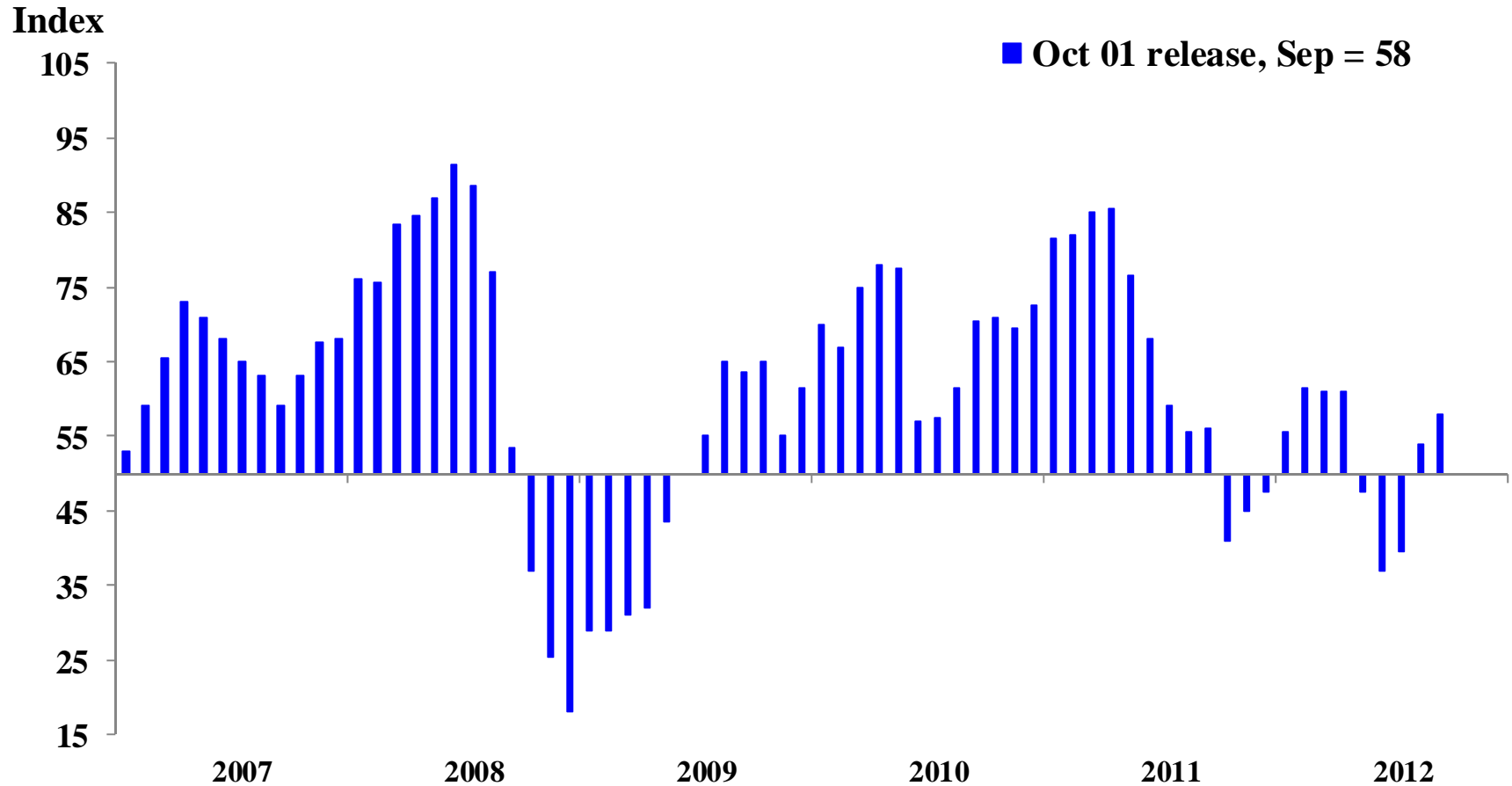
■ Recession

Source: Commodity Research Bureau

<http://www.dallasfed.org>



ISM Manufacturing Prices Index

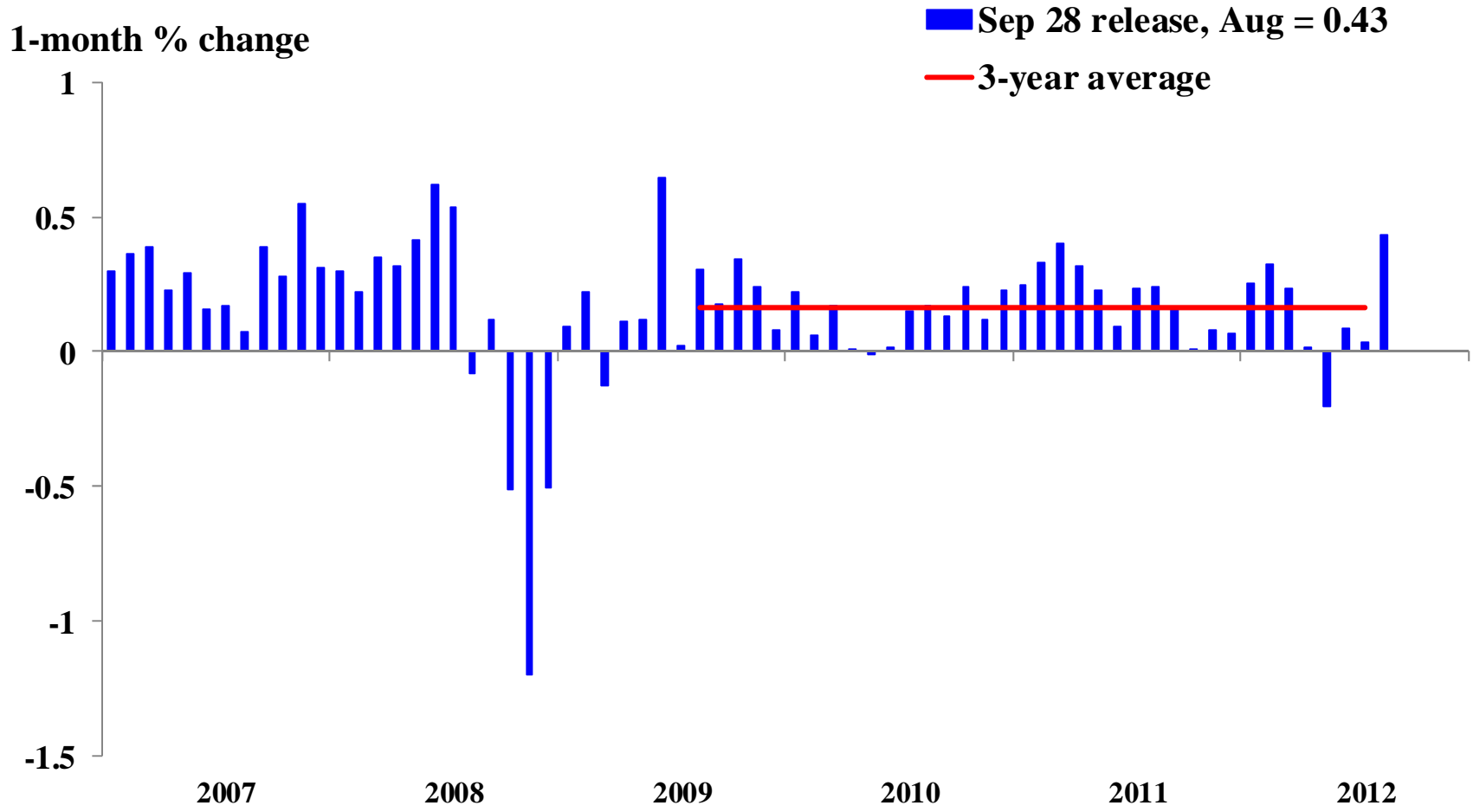


Source : Institute for Supply Management TM

<http://www.dallasfed.org>



PCE Price Index



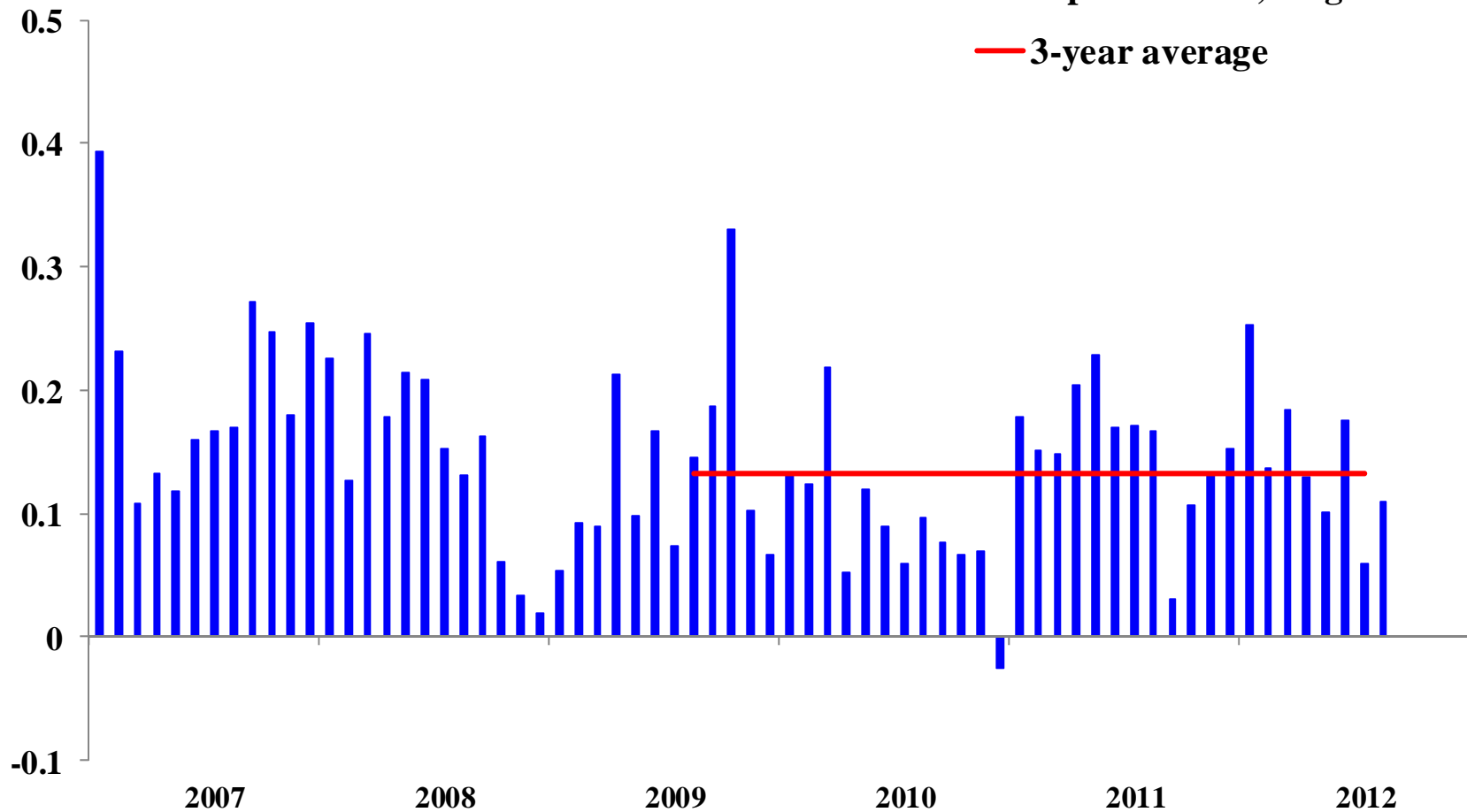
Source: Bureau of Economic Analysis

<http://www.dallasfed.org>



Core PCE Price Index

1-month % change

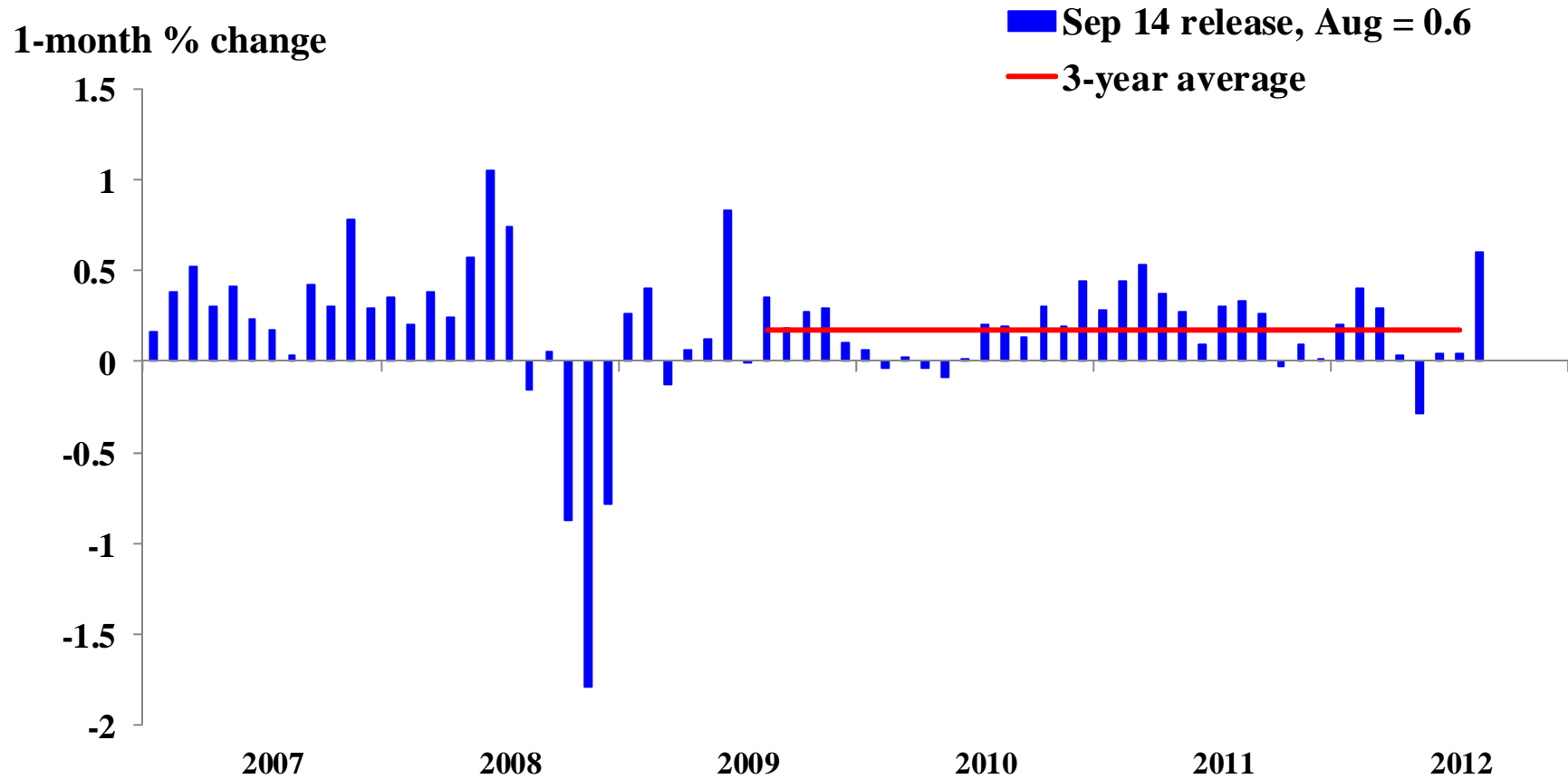


Source: Bureau of Economic Analysis

<http://www.dallasfed.org>



Consumer Price Index

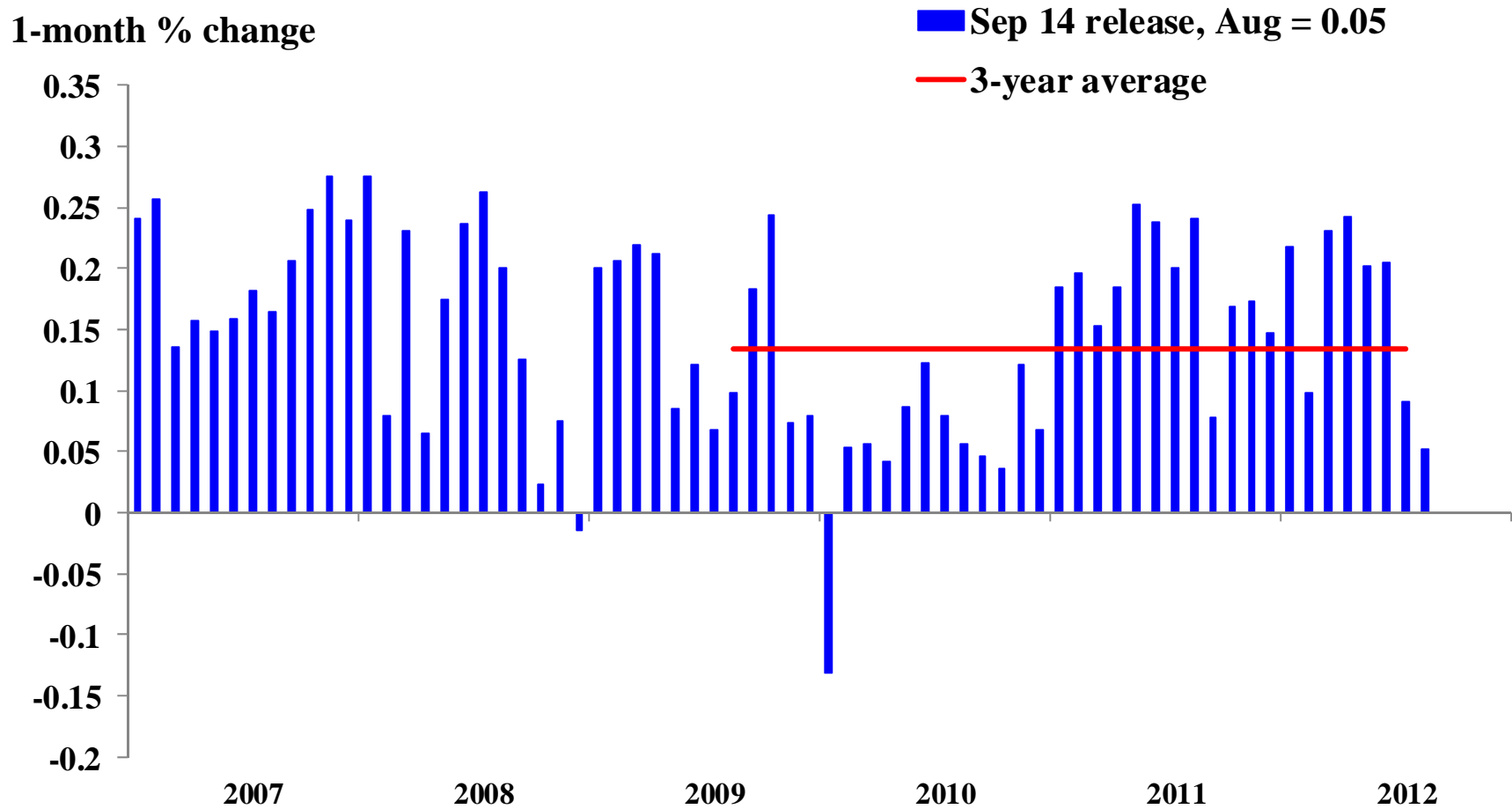


Source: Bureau of Labor Statistics

<http://www.dallasfed.org>



Core Consumer Price Index



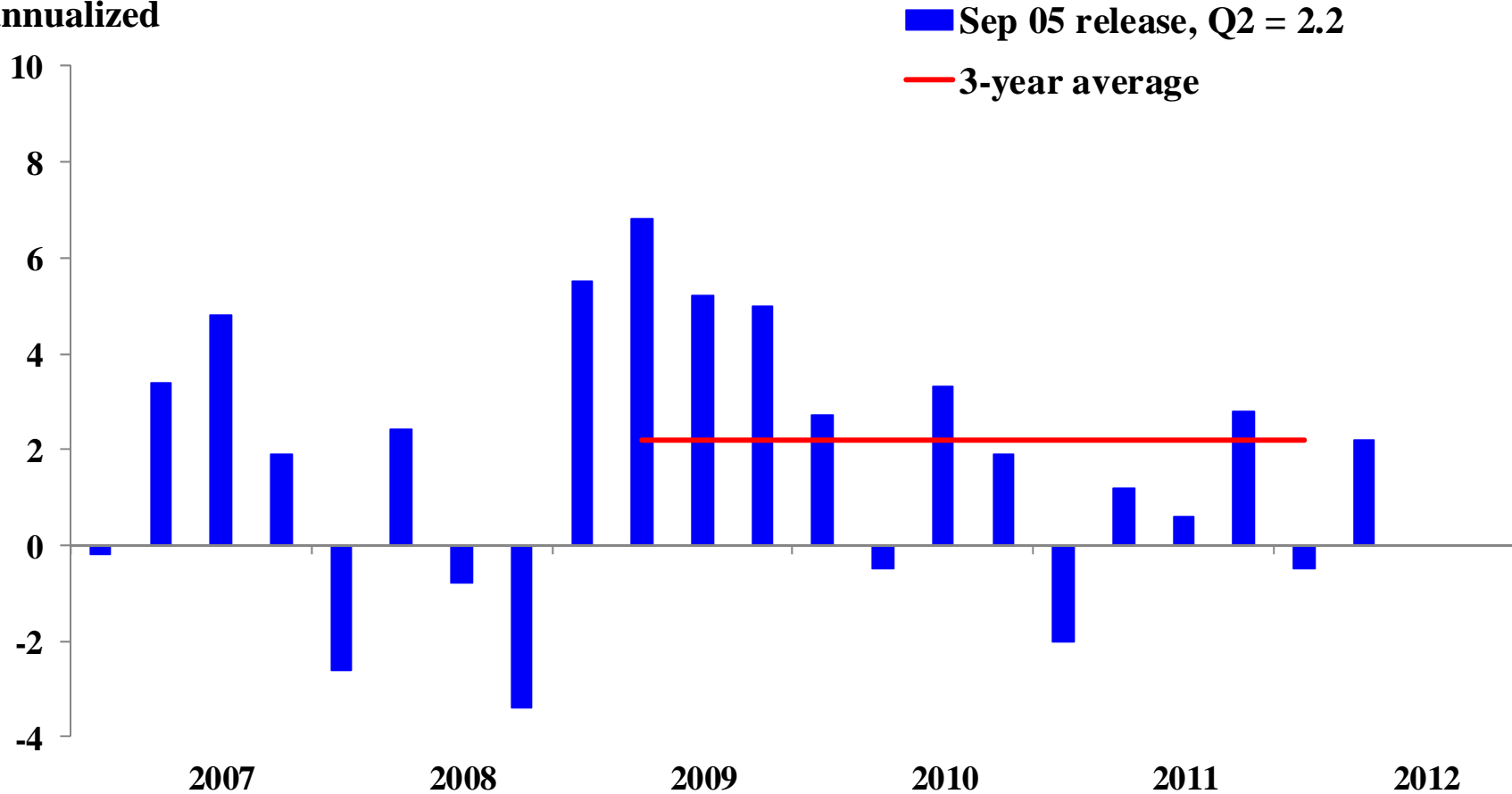
Source: Bureau of Labor Statistics

<http://www.dallasfed.org>



Nonfarm Business Productivity

1-quarter % change,
annualized



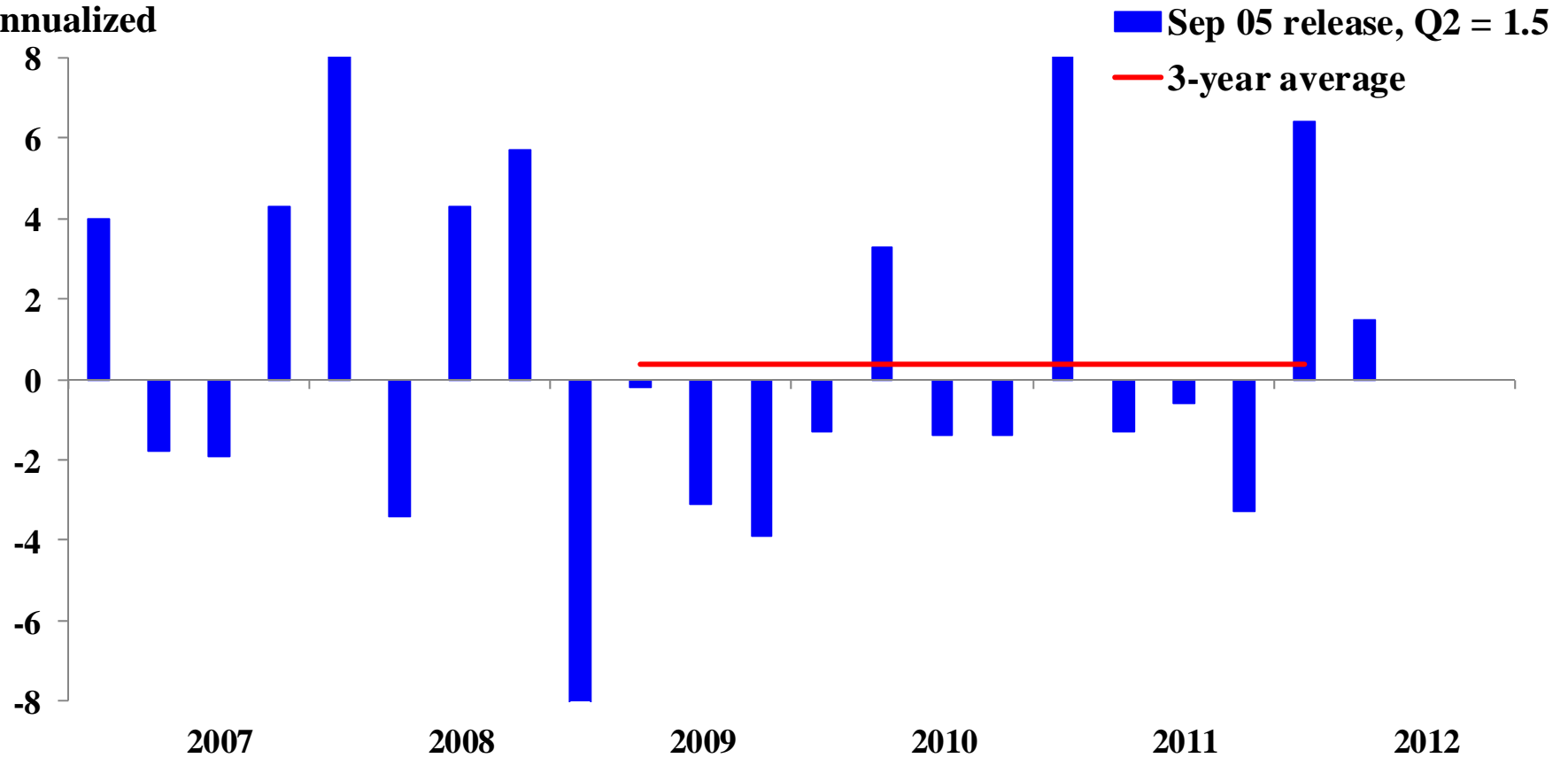
Source: Bureau of Labor Statistics

<http://www.dallasfed.org>



Nonfarm Business Unit Labor Cost

1-quarter % change,
annualized



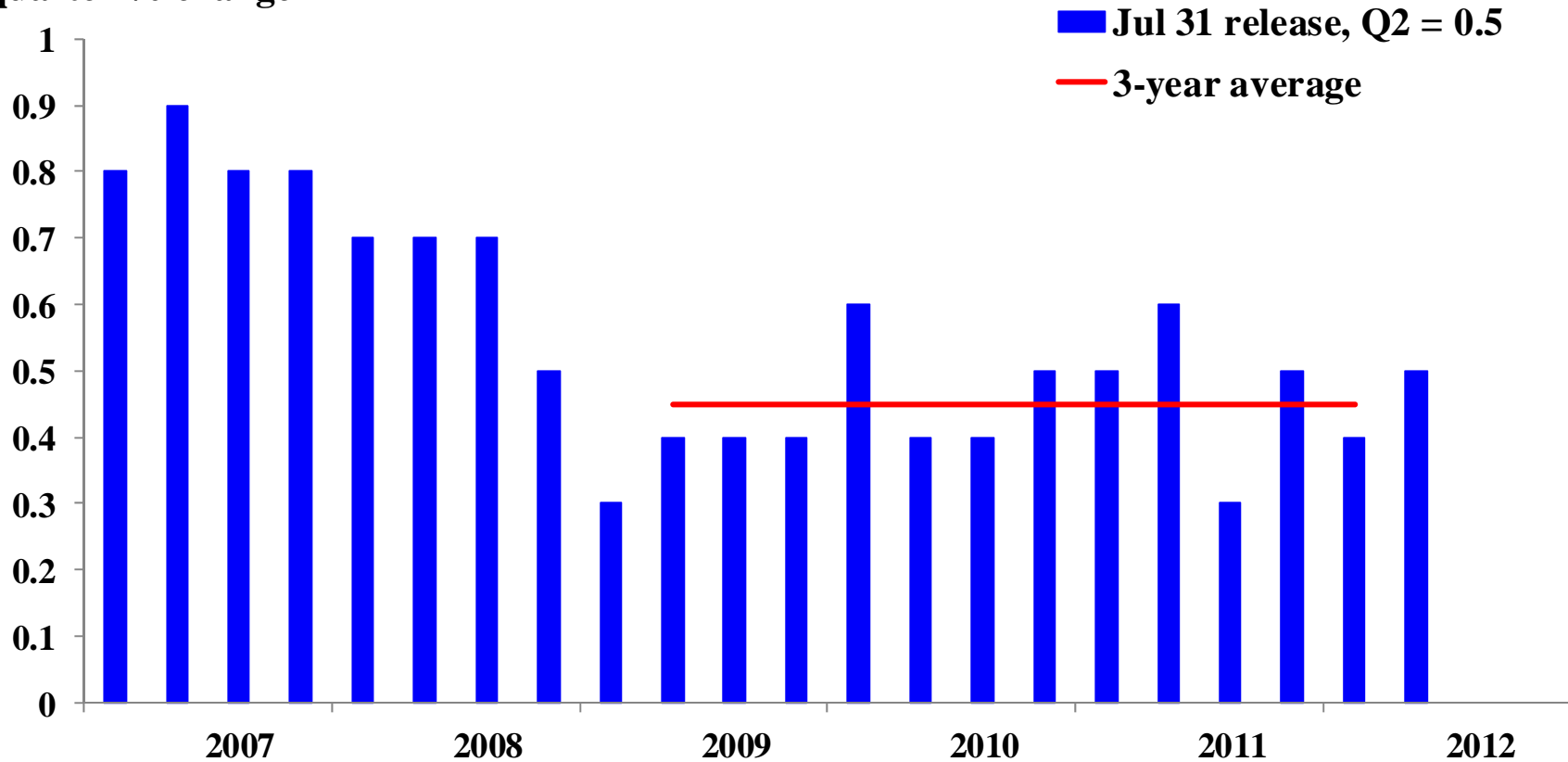
Source: Bureau of Labor Statistics

<http://www.dallasfed.org>



Employment Cost Index

1-quarter % change



Source: Bureau of Labor Statistics

<http://www.dallasfed.org>



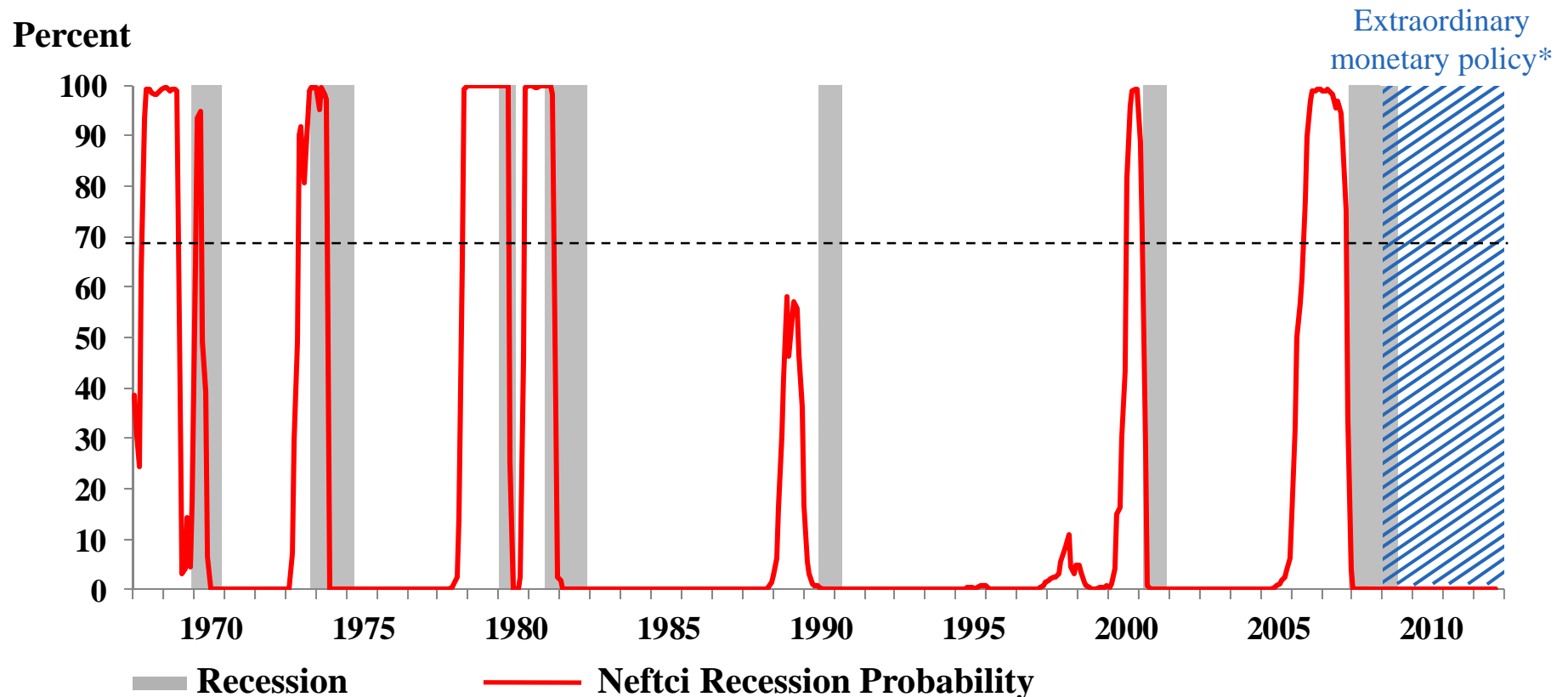
FINANCIAL-SECTOR DEVELOPMENTS

<http://www.dallasfed.org>



Recession Probability

Real-time Neftci probability calculated from 10-yr.--1-yr. Treasury yield spread



Crosses 70% threshold with a lead of between 5 and 18 months, and averaging 11 months.

*Indicator properties of the yield curve may be distorted during this period due to the zero bound on short-term interest rates and Federal Reserve purchases of long-term Treasuries.

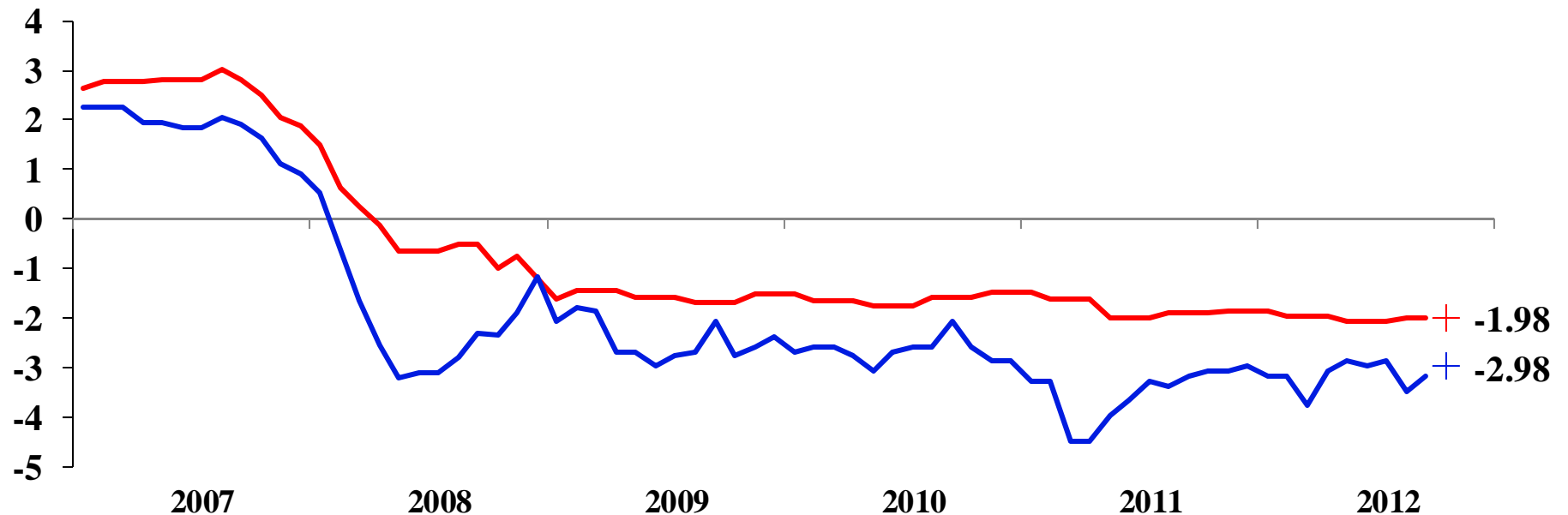
Source: Federal Reserve Board; calculations by FRB Dallas

<http://www.dallasfed.org>



Real Federal Funds Rate

Percent



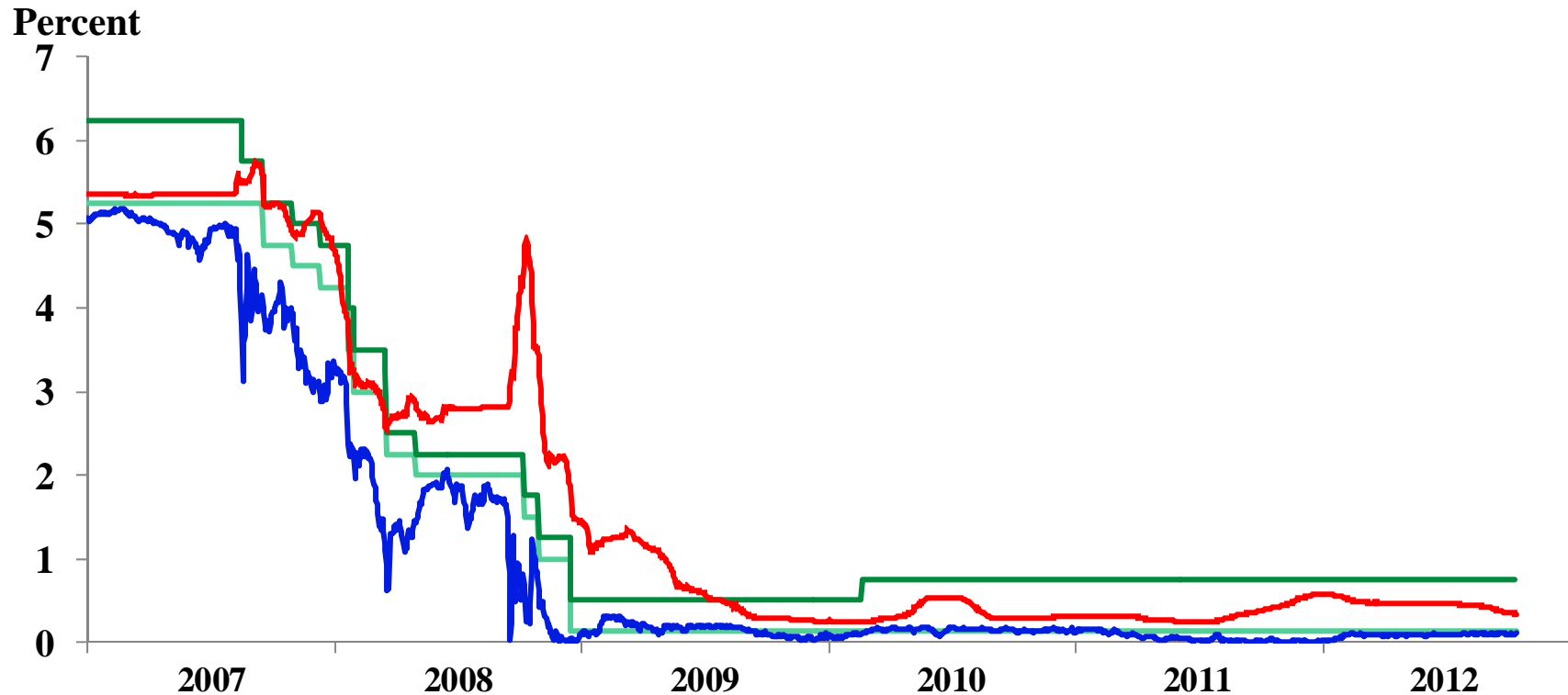
- End-of-Month Target Fed Funds Rate less SPF Expected Inflation
- + Target Fed Funds Rate (Oct 12) less SPF Expected Inflation (Aug 10)
- End-of-Month Target Fed Funds Rate less U. of Michigan Expected Inflation
- + Target Fed Funds Rate (Oct 12) less U. of Michigan Expected Inflation (Oct 12)

Sources: Target Fed Funds Rate: Federal Reserve Board; SPF Expected Inflation: FRB Philadelphia; U. of Michigan Expected Inflation: Survey of Consumers, Survey Research Center, U. of Michigan

<http://www.dallasfed.org>



Short-Term Interest Rates



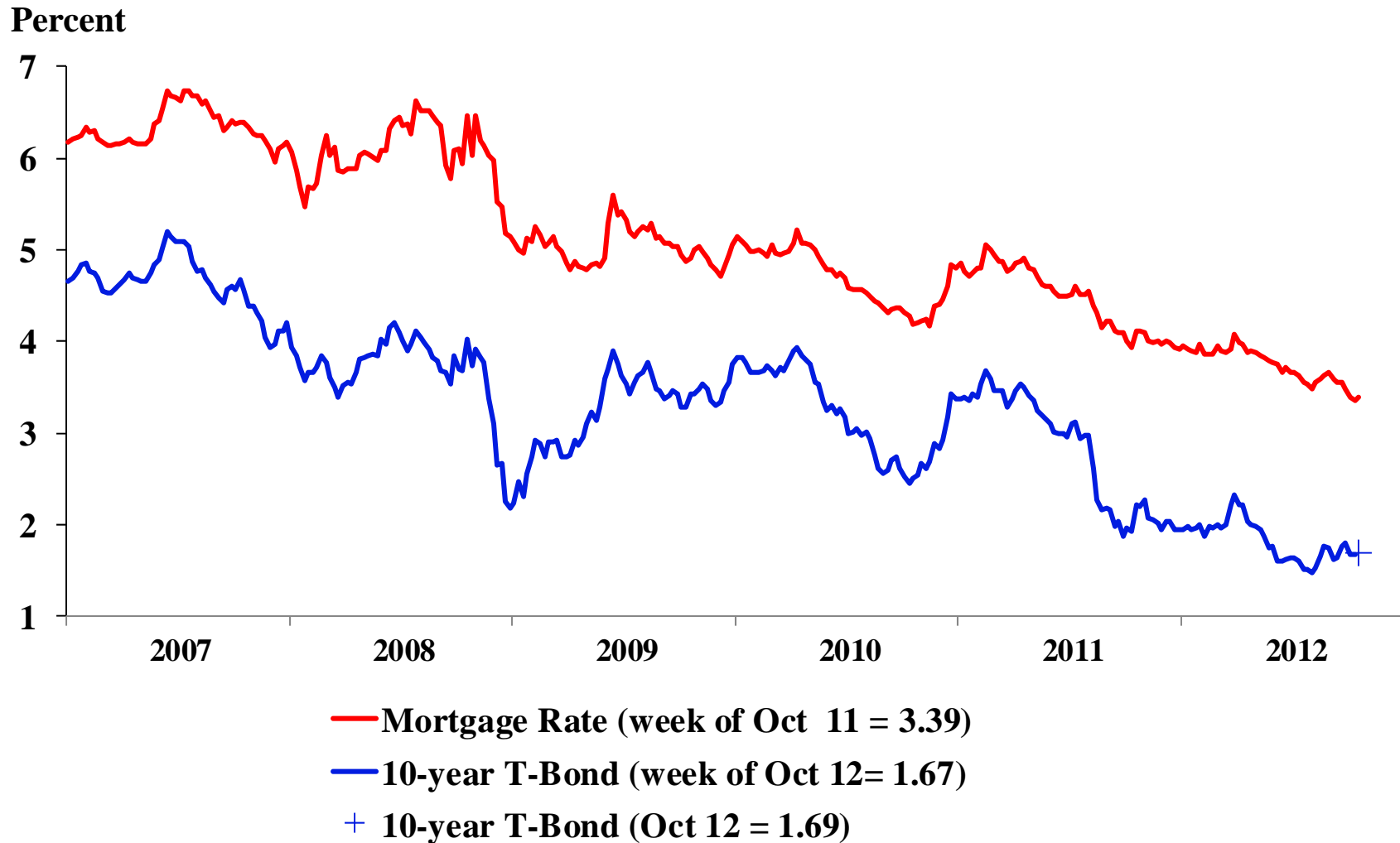
- Target Fed Fund Rate (Oct 12 = 0.125)
- 3-Month T-Bill Rate (Oct 12 = 0.11)
- Discount Window Primary Credit Rate (Oct 11 = 0.75)
- 3-month LIBOR (Oct 12 = 0.334)

Source: Federal Reserve Board

<http://www.dallasfed.org>



Long-Term Interest Rates



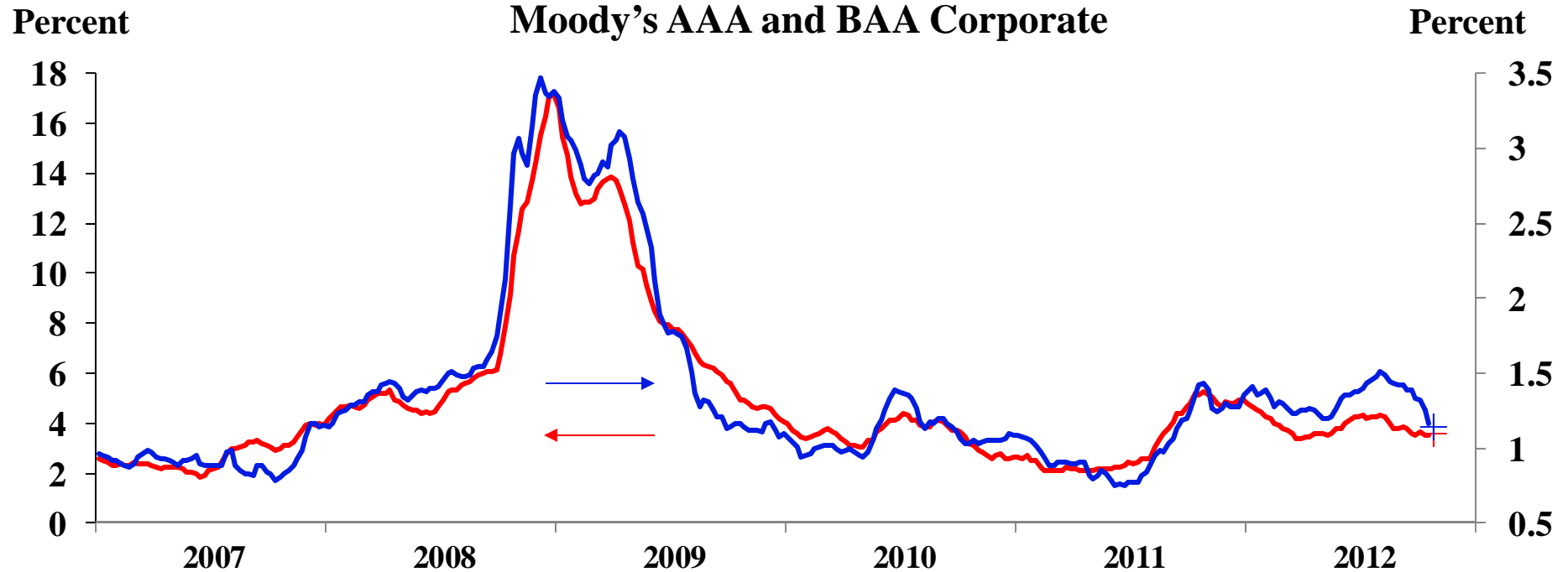
Source: Federal Reserve Board

<http://www.dallasfed.org>



Bond Spreads

Merrill Lynch's Yield on Low-Grade Corporate Bonds,
Moody's AAA and BAA Corporate



— Low-Grade Corporate less AAA Corporate (week of Oct 12 = 3.5)

+ Daily (Oct 12 = 3.56)

— BAA Corporate less AAA Corporate (week of Oct 12 = 1.16)

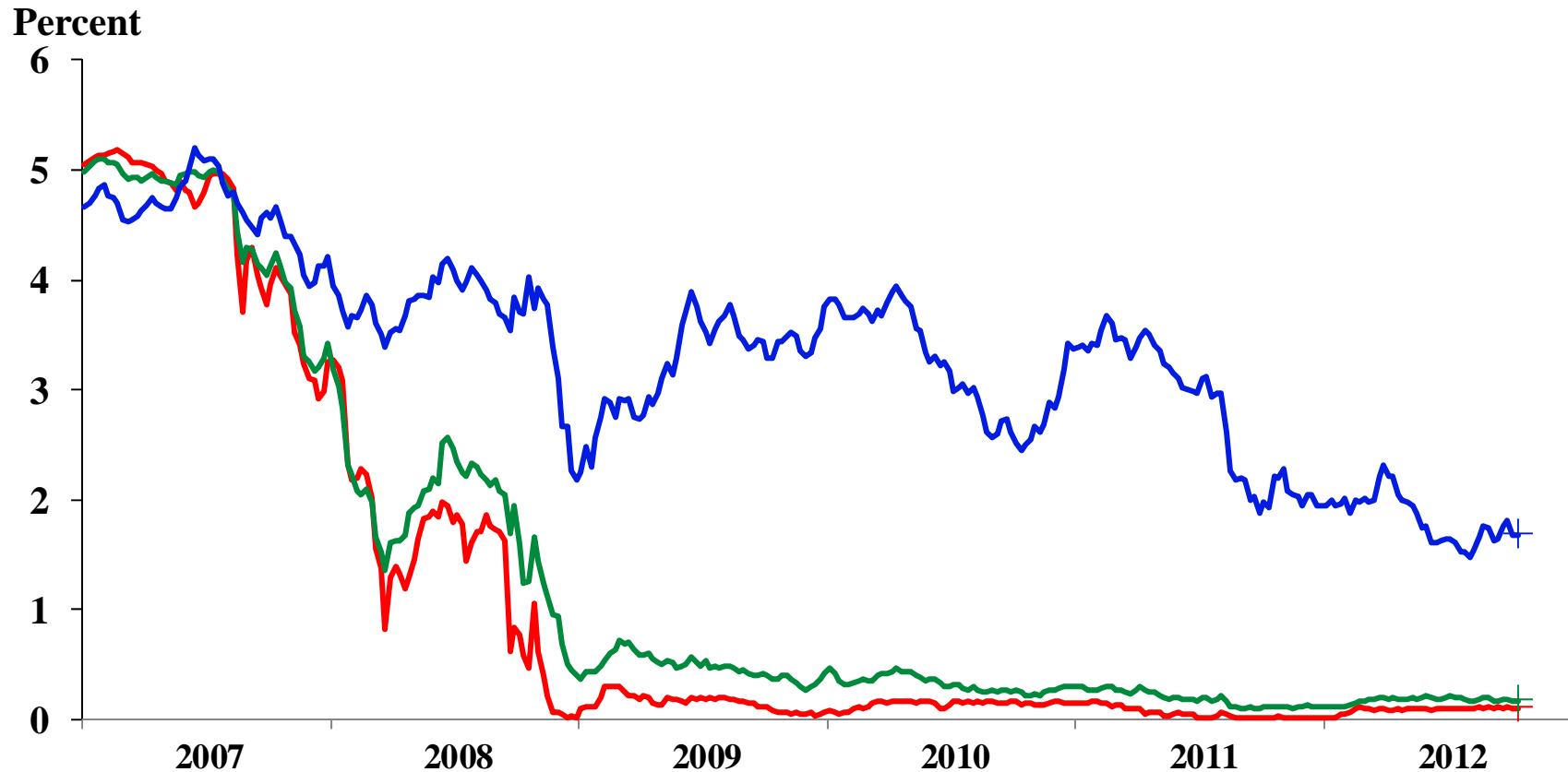
+ Daily (Oct 12 = 1.14)

Source: Moody's Investors Service, Merrill Lynch

<http://www.dallasfed.org>



Yield Curve



— 3-Month T-Bill Rate (week of Oct 12)
— 1-year T-Bill Rate (week of Oct 12)
— 10-year T-Bond Rate (week of Oct 12)

+ 3-Month T-Bill Rate (Oct 12 = 0.11)
+ 1-year T-Bill Rate (Oct 12 = 0.18)
+ 10-year T-Bond Rate (Oct 12 = 1.69)

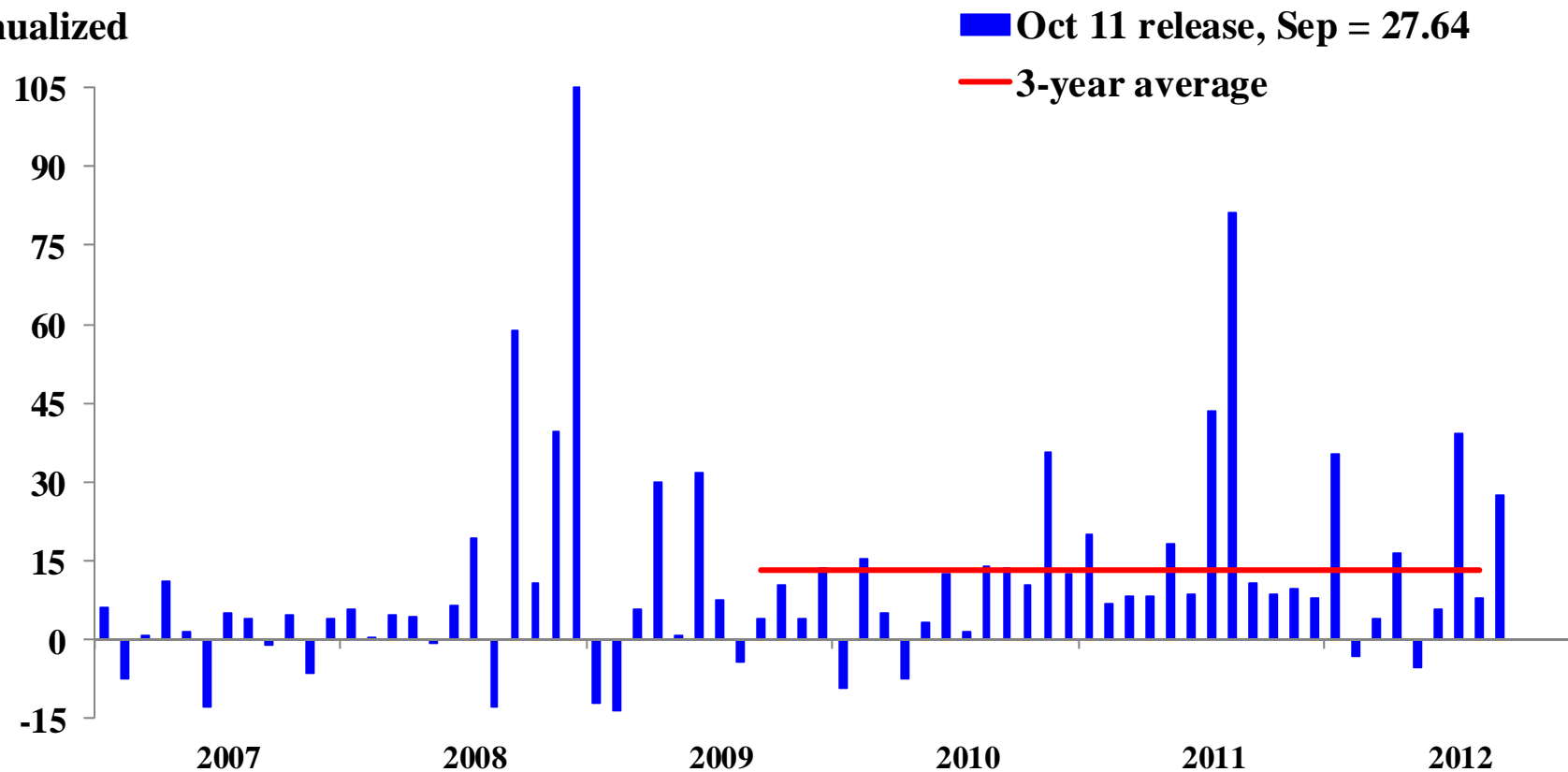
Source: Federal Reserve Board

<http://www.dallasfed.org>



Money Supply: M1

1-month % change,
annualized



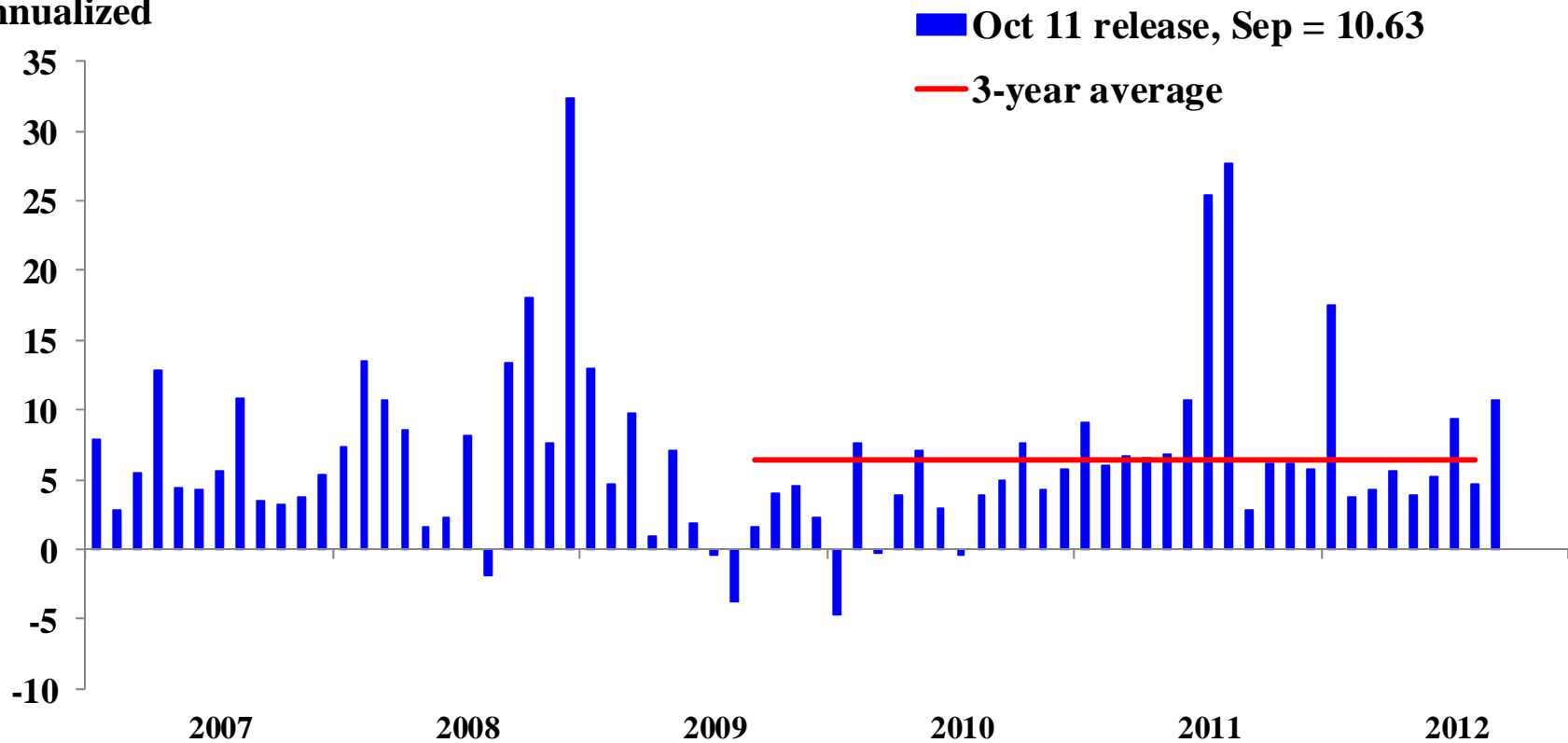
Source: Federal Reserve Board

<http://www.dallasfed.org>



Money Supply: M2

1-month % change,
annualized



Source: Federal Reserve Board

<http://www.dallasfed.org>